FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,001 Friday October 26 1979 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pts 60; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Italy and Belgium may take missiles

Italy and Belgium are expected to declare willingness to accept new nuclear missiles before the key meeting of NATO defence and foreign ministers in December, which is to decide on the modernisation of the Alliance's medium range Theatre Nuclear Forces.

An announcement by either country would clear the way for the Bonn Government which has said that it would only accept the weapons if one other Continental European NATO partner did likewise.

Aim of the modernisation drive is to counter the build-up of tactical Soviet missiles with more than 560 missiles in Western Europe. Page 3

Carrington plan

Lord Carrington told delegates to the Lancaster House talks on Rhodesia that a British governor during the pre-independence period would act as a caretaker while political leaders contested free and fair elections under UK supervision with Commonwealth observers.

Murder charge

A boy, aged 13, has been charged with murder of six-year-old Kelli Thomas on wasteland in Havant on October 13, and will appear in court today.

Nuclear fuelling

The French electricity generating board is to begin fuelling the nuclear power station at Gravelines near Dunkirk where unions concerned about the safety of the plant have so far blocked progress. Back Page

Thirty flogged

About 30 Pakistanis were flogged after being found guilty of running a vice racket in Rawalpindi. Three others escaped whipping because they were over 60, but all received jail terms.

Bill published

The Official Secrets Bill designed to replace Section 2 of the Official Secrets Act of 1911 was formally introduced in the Lords, and is to be published today.

Death sentences

A Turkish military tribunal sentenced four Palestinian guerrillas to death by hanging for an attack on the Egyptian Embassy in Ankara last July in which three people died.

Great escape

Driver Andrew Lodge escaped with only slight injuries after a fuel tanker overturned near Guildford, Surrey, and crushed his car. Rescuers took two hours to free him.

Swann to quit

BBC chairman Sir Michael Swann is to leave the BBC in July, 1980, to become Provost of Oriel College, Oxford.

Briefly . . .

Corsican National Liberation Front claimed responsibility for eight bomb blasts in the Paris area. No-one was hurt.

Swaziland Prime Minister Major General Maphevu Dlamini, 56, died after a long illness.

Comedian Terry Scott underwent surgery after being taken ill with severe headaches.

About 150 French miners boarded the UK freighter Rudby to prevent it unloading a cargo of iron ore at Dunkirk.

Three people died when rain flooded the Sicilian city of Catania.

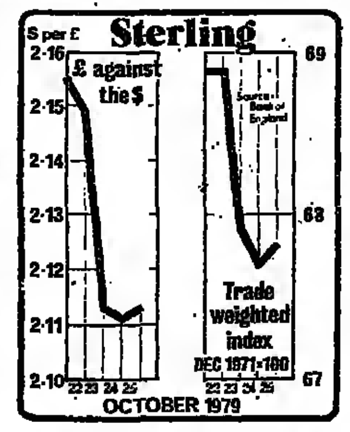
IRA gun used in at least 20 Northern Ireland killings has been sold in the U.S. for $30,000 (£14,200), Ulster security men claim.

BUSINESS

Equities and gold weaken: £ steady

● EQUITIES were easy an sizeable selling assumed ta be disinvestment by UK fund managers considering transfer of funds abraad. Shares rallied later and the FT 30-share index closed anly 2.4 lower at 447.1 far a two-day fall of nearly 14 points.

● GILTS were volatile with shorts falling up to ½ and longs mixed from ⅛ higher to ⅛ lower. The FT Government Securities index rose 0.08 to 69.10.



● STERLING rose slightly in quiet foreign exchange trading to close at $2.1130 ($2.1110) and its trade-weighted index rose to 67.8 (67.7).

● DOLLAR eased to DM 1.8015 (DM 1.8050) and SwFr 1.6565 (SwFr 1.6575). Its index fell to 86.3 (86.4).

● GOLD fell $7 to $... in London.

● WALL STREET was 3.16 higher at 811.52 shortly before the close.

● BANK OF CANADA has raised the discount rate to 14 per cent and prime rates now range from 14.75 per cent to 15 per cent. Page 6

● ORDER BOOKS of Japanese shipyards have made a sharp recovery over the summer and the indications are that it will survive the present depression. Page 7

● NETHERLANDS car sales may fall for the first time in five years, according to industry association sources. Page 7

● BRITISH ENERGY consumption rose 5.4 per cent in the June-August quarter despite Government pleas for more conservation. Page 8

● NORTH SEA OIL companies are expected to raise prices above the OPEC ceiling of $23.50 a barrel. Back Page

● UK FINANCIAL institutions invested only 5-6 per cent of their cash inflows in foreign securities last year before complete removal of exchange controls this week. Back Page

● LOCAL AUTHORITY manual workers have warned that they will not accept an increase of less than 17½ per cent this year. Page 10

COMPANIES

● ST. GOBAIN, the French conglomerate, has had a good half-year with net operating income 15½ per cent above the first half of 1978. Lex

● MITSUBISHI and Hitachi, two leading Japanese electric appliance manufacturers, have reported record first half sales and profits. Page 30

● ASSOCIATED LEISURE taxable surplus for the first half rose 12.8 per cent to £3.2m (£2.85m). Page 27

● BEREC GROUP, formerly Ever Ready, suffered a fall in pre-tax profits to £3.15m in the six months to September 1 against £11.14m previously, due to labour unrest in the UK and the continued closure of the Nigerian market. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:			GEC	333	− 6
Treasury 12pc 1995	£93⅛	+ ⅜	Gill & Duffus	147	− 12
Bank & Commercial	98	+ 6	Great Portland Ests.	200	− 6
Berec	80	+ 6	I. C. Gas	572	− 16
EMI	143	+ 4	Lee Cooper	248	− 14
Cons. Gold Fields	275	+ 25	Lex Service	87½	− 4
FALLS:			Lucas Inds.	210	− 8
Treasury 12pc 1984	95	− ¼	ML Holdings	200	− 12
Associated Leisure	91	− 4½	Muirhead	250	− 10
Assocd. Newspapers	249	− 11	Plysu	98	− 9
Avana	110	− 4	Robertson Foods	144	− 5
BTR	290	− 12	Staveley Inds.	200	− 8
Chambers	96	− 14	Stock Conversion	370	− 16
Fassett (G.)	90	− 4	Stothert & Pitt	140	− 8
Hooker McConnell	287	− 8	Taylor Woodrow	347	− 11
Lowater	165	− 5	Tozer Kemsley	69	− 6
Burton "A"	268	− 14	Unilever	482	− 6
Dewonds	152	− 11	Walker & Homer	9	− 3
Dejan	116	− 8	Wilson (Connolly)	186	− 14
Diploma Inv.	349	− 16	East Driefontein	758	− 48
Estates & Agency	116	− 7	North Broken Hill	157	− 6

Scottish steel plant production to halt over union row

BY ROY HODSON AND RAY PERMAN

The British Steel Corporation is to suspend iron and steel-making at Ravenscraig, the main Scottish steelworks, from the end of next month if the dispute which has kept the new ore terminal at Hunterston on the Clyde inoperative, since its opening last May, is unresolved.

Ore supplies to the plant have become chaotic because of the Hunterston inter-union dispute between dockers and steel workers.

The move, decided by the BSC board yesterday, was described by the Scottish TUC as industrial blackmail intended to put pressure on the talks called by the TUC in London for November 3 when leaders of the two unions involved, the Iron and Steel Trades' Confederation and the Transport and General Workers' Union, are to meet senior members of the TUC.

Observers from British Steel and the Clyde Port Authority, which is responsible for the ore quey at Glasgow, will also attend.

British Steel is starting legal proceedings against the Clyde Port Authority over the non-operation of the new terminal.

Because of Hunterston's non-availability, ore has had to be off-loaded at Rotterdam from the large ore-carriers which would have used the new terminal to smaller vessels able to use the old Glasgow terminal. The additional cost has been £800,000 on a 120,000 tonnes cargo. In addition, the quality of the ores received at Ravenscraig has been so variable during the emergency arrangements that an unacceptably high proportion of the iron made is having to be rejected.

"The place is a shambles: it is closing itself down," Mr. Robert Scholey, deputy chairman and chief executive of British Steel, said yesterday.

Ravenscraig has been responsible for Scottish Division of British Steel losses of more than £1m a week recently. And, BSC had forecast, Ravenscraig could lose £70m in the current financial year if Hunterston remained out of operation.

British Steel as a whole is losing about £1m a day and has been instructed by Sir Keith Joseph, Industry Secretary, to get the business back on to a break-even basis by the start of the next financial year.

Up to 9,000 Scottish steelworkers face 20 per cent cuts in their earnings from the end of November unless the dispute is settled.

The planned production pause at Ravenscraig would put most of the employees at the works and others at many smaller Scottish steelworks, which use Ravenscraig steel, on to a guaranteed weekly wage equal to 80 per cent of their usual earnings.

About 2,500 of the 11,500 workers in the division would continue to be needed to work normally to man continuous processes such as coke ovens which could not be closed without damage.

Suspension of Ravenscraig steelmaking would mean that no steel sheet for the motor industry and domestic equipment manufacturers would be rolled at Gartcosh cold rolling mills. British Steel hopes to cover the loss of the Scottish sheet by extra production from its other sheet mills in South Wales.

British Steel's plans to close iron and steelmaking at Shotton, North Wales, would also be affected by a break in production at Ravenscraig. The Shotton closure plans depend on the mills there being provided with semi-finished steel from Ravenscraig. The corporation could be forced to buy semi-finished steel from abroad to supply Shotton.

Although £450m has been spent improving Scottish iron and steelmaking facilities during the latest British Steel investment round, the board warned yesterday that "failure to open the Hunterston terminal is putting the future of bulk steelmaking in Scotland at grave risk."

Continued on Back Page
BSC feature, Page 22

Swiss and Germans will stand by dollar

BY NICHOLAS COLCHESTER AND JOHN WICKS IN BERNE

THE central banks of West Germany and Switzerland have informally agreed with the U.S. Federal Reserve that they should avoid selling dollars in the currency markets in the wake of the introduction of the Fed's new monetary policy, Dr. Fritz Leutwiler, president of the Swiss National Bank, revealed here yesterday.

The implication is that, in spite of mounting inflation, these two strong-currency countries will not exploit any strengthening of the dollar to curb their own money supply growth rates by selling off dollar reserves.

Dr. Leutwiler explained that international co-ordination of monetary policy had improved in the last few weeks and that the U.S., West Germany and Switzerland were in full agreement over intervention strategy.

This development points to Swiss control of the monetary base by means other than currency intervention—the classic instrument of Swiss monetary control. Because of the Swiss National Bank's massive intervention in favour of the dollar late last year, the average Swiss money supply (M1) is expected to show growth for the current year of 10 per cent over last year.

The intervention policy has caused the Swiss franc to fall sharply to the point where the Deutschemark, worth only 76 Swiss centimes in late September 1978, is now above 90 centimes, but at the price of a rising inflation rate. Consumer prices in Switzerland have been going up by about 4 per cent a year in 1979, compared with rates of between 1.1 and 1.7 per cent in the previous three years.

The indications are that the Swiss authorities are once again more concerned about the inflation rate than about the damage done to exporters by the high exchange rate.

According to M. Pierre Languetin, the Swiss National Bank director general, the alternative means of Swiss monetary control will include the use of swap facilities, the issue of government securities and, for the first time, the issue of short-term paper by the Swiss National Bank itself.

The new National Bank instrument could be available for issue as early as November, according to Professor Leo Schurmann, vice-president of the Swiss National Bank.

In particular, it is not ruled out that this paper should eventually be available to foreign central banks wishing to invest part of their reserves in Swiss francs. This would be in line with the new Swiss policy of allowing foreign central banks a limited and controlled access to Swiss franc investments.

Money markets, Page 33

Ford workers to claim 40%

BY NICK GARNETT, LABOUR STAFF

UNIONS representing Ford's 59,000 manual workers will submit a claim today for pay increases of up to 40 per cent and more, as well as for shorter working time.

The company is almost certain to be told that the unions think profits justify increases of about £30.

But the unions are thought to be ready to take a flexible line on ways of reducing hours.

Negotiations with Ford's manual workers, who were on strike for nine weeks last year over wages, is seen by industry as a test of trade union attitude towards pay.

Instead of demanding a fixed staged reduction to 35 hours, union negotiators are likely to suggest measures such as rearranged and shortened shifts, longer holidays and sabbatical leave.

They may also show willingness to investigate with the company ways of making more efficient use of equipment to provide elbow room for these changes.

They will make it clear, however, that their ultimate target is still 35 hours.

A possible difficulty in negotiations will be payments made under the company's attendance bonus plan which the unions will almost certainly want to have consolidated.

But the company says the attendance scheme has had a marginal effect in cutting absenteeism and a more substantial effect in reducing stoppages of work.

In its 12 per cent offer to white collar staff earlier this week, the company proposed a 12 per cent increase on attendance payments to keep within the present wages strucure.

Foreman and Supervisors at Ford's Halewood plant yesterday began a two-day strike in protest at the offer.

The manual worker unions will almost certainly tell the company today that it will be fruitless for it to make a similar offer to them.

Carter gives oil tax warning

By David Buchan in Washington

PRESIDENT Carter yesterday threatened "punitive" action against the U.S. oil industry if Congress did not pass a windfall oil profits tax which he could accept.

It was his strongest warning since he proposed a windfall profit levy an the oil companies in April. It was prompted, at least in part, by the record third-quarter profit increases reported by the major companies this week.

Even as the President delivered his warning in an address to a group at the White House, Phillips Petroleum and Tenneco reported increases of 62 and 28 per cent respectively.

Among other companies that disclosed profit figures this week, Exxon, the largest, recorded a profit of $1.15bn for the July - September period, a rise of more than 120 per cent over the third quarter of 1978.

Second, the Senate Finance Committee is due, probably this week, to pass a windfall profits bill that would raise about $141bn in the next 10 years. This is less than half what the Administration proposed, and substantially less than the $272bn bill already approved by the House of Representatives.

Mr. Carter was speaking to a group called "The National Citizens' Coalition for a Windfall Profits Tax," a lobby put together with White House help.

He did not say what he had in mind. But a bill calling for a special investigation of the oil industry and its profits was introduced into the Senate this week.

Senator Henry Jackson, the powerful chairman of the Senate Energy Committee, said on Tuesday that perhaps the time had come for Government agencies to treat oil companies in the same way as public utilities.

The windfall profits tax would be levied on extra oil company revenue generated from the Administration's decision to phase out price controls.

Tenneco and Phillips results, Page 28
UK oil ta pass OPEC ceiling, Back Page

£ in New York

—	Oct. 24	Previous
Spot	$2.1160-1170	$2.1080-2.1090
1 month	0.12-0.17pre	0.20-0.30pre
3 months	0.75-0.85pre	0.80-0.85pre
12 months	0.85-1.05pre	0.85-1.05pre

Ulster talks rejected by Unionists

BY PHILIP RAWSTORNE

A NEW attempt by the Government to break the political deadlock in Northern Ireland was given an immediate thumbs-down by the Official Ulster Unionists last night.

Other political parties in the province were also sceptical of its success.

Mr. Humphrey Atkins, Northern Ireland Secretary, announced the Government initiative in the Commons.

He told MPs he intended to invite the four main political parties in Northern Ireland to a conference next month to discuss the future government of the province.

Agreement would be sought on handing back some government powers and responsibilities to Belfast from Westminster, Mr. Atkins said.

The Government is to publish a consultative document in about two weeks' time outlining a range of self-government options.

But Mr. James Molyneaux, leader of the Official Unionists at Westminster, quickly rejected the Government's approach. Unionists would "not engage in time-wasting exercises and window-dressing of this kind," he said flatly.

The party would consider carefully any proposals put forward by the Government, but, he reaffirmed last night, it would not attend the conference.

The Government's plans got a lukewarm reception also from the Rev. Ian Paisley, leader of the Democratic Unionists, and Mr. Gerry Fitt, leader of the Social Democratic and Labour Party.

Mr. Paisley suggested that the right course would be to convene an elective conference, whose members would have a direct mandate from the Northern Ireland voters.

Mr. Fitt, though not rejecting the Government's move outright, stressed the suspicion and hostility of the minority community in Northern Ireland towards any attempt to restore powers to the local authorities.

Mr. Atkins received only cautious support from the Labour Party spokesman, Mr. Brynmor John.

Mr. Atkins who had not approached any of the political leaders about his proposals, made it clear that the Government would press ahead in spite of the initially unfavourable reaction.

He has been under some pressure from the United States and the Irish Republic for a new political initiative in Northern Ireland.

He told MPs yesterday that his private talks in the province had convinced him that the time was right to make an attempt to break the stalemate.

Ulster's political parties had all in their election manifestos, called for the return of some powers of self-government, he said.

There was also more awareness that the restoration of political responsibility could be brought about only if all sections...

Continued on Back Page
Parliament, Page 12

LASMO in bid talks

BY CHRISTINE MOIR

MERGER talks are being held between London and Scottish Marine Oil and Oil Exploration, two of the smaller independent oil companies in the North Sea.

In a joint statement yesterday, the two companies said merely that talks were going on. No further announcement can be expected before next week.

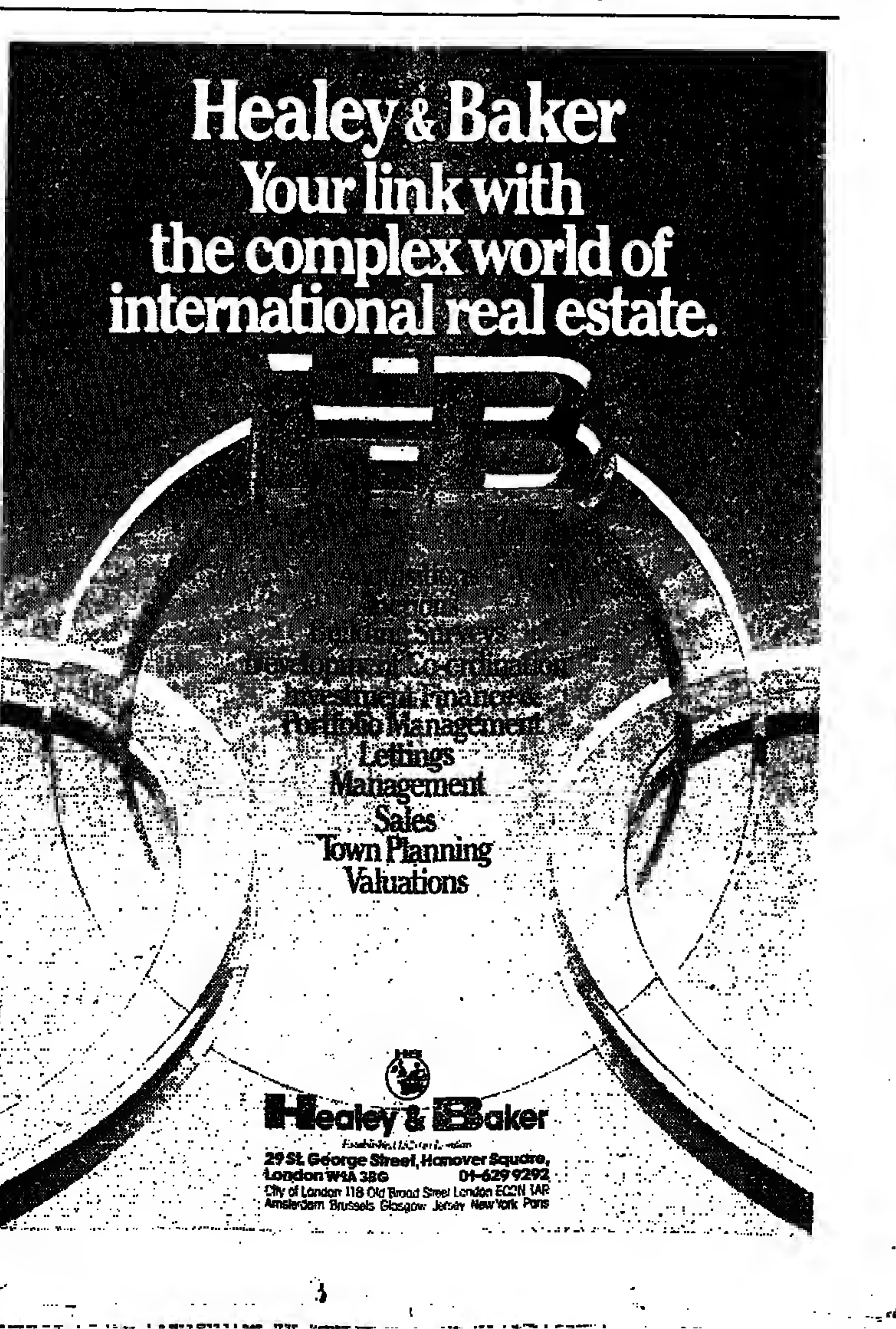
Both sets of shares have been suspended at prices which give a combined market value for the two groups of £213.3m, of which LASMO accounts for two-thirds.

Oil Exploration announced on October 8 that it had received a bid approach. Since then its shares have risen from 476p before being suspended at 535p yesterday.

LASMO's ordinary shares, which rose 10p to 304p around the time of the earlier announcement, by yesterday had drifted to 296p. At suspension its 14 per cent loan stock stood at £99½ and its oil production stocks (issued in 1976 at 10p) were worth 825p.

After years of carrying increasing development and exploration costs through complex financing, LASMO has just announced its first profits—£2m pre-tax for the six months to June.

Oil Exploration has been producing profits consistently for some years: pre-tax figures for the interim period this year were £1.4m. But it has yet to produce revenue from the offshore oil fields in which it participates.



CONTENTS

British Steel Corporation: moving into a crisis ... 22
Politics today: the Labour Party, the joker in a disarrayed pack ... 23
French politics: Giscard's image slirs 2
Kampuchea: the politics of hunger, spectre of mass starvation ... 4
Oil pricing: a guide through the hazaar 4
St. Vincent: facing up to independence 4
Management: profile of the head of BUPA ... 18
Around Britain: the Scilly Isles ... 20
Lombard: gold boost for EEC reserves, by David Marsh ... 20
Editorial comment: UK stock exchange, Denmark ... 22
Armstrong equipment: after the takeovers ... 31
Energy review: Canada's domestic oil pricing problems ... 32

American News	6	European Options	40	Overseas News	4	TV and Radio	20
Appointments	15	FT Actuaries	40	Parliament	12	UK News:	
Arts	1	Food Prices	4	Property	34	General	8-9-10
Bank Return	15	Intl. Companies	28-30	Racing	20	Labour	10
Base Rates	40	Leader Page	22	Saleroom	a	Unit Trusts	41
Business for Sale	15	Letters	23	Share Information	42-43	Weather	44
Commodities	39	Lex	44	Stock Markets:		World Trade News	7
Companies UK	24-26-27	Lombard	20	London	40	INTERIM STATEMENT	
Crossword	20	Management	18	Wall Street	38	Gill and Duffus	27
Entertain. Guide	20	Men and Matters	22	Bourses	38	ANNUAL STATEMENTS	
Euromarkets	28	Mining	26	Technical	14	Burns-Anderson	30
European News	2-3	Money & Exchngs.	33	Today's Events	23	J. Saville Gordon	7

For latest Share Index 'phone 01-246 8026

Giscard's position weakened as election manoeuvring begins

BY ROBERT MAUTHNER IN PARIS

IN FRENCH politics it never rains, it pours. The complete calm which followed the European elections in June has suddenly been shattered, not so much by the predictable strikes in protest against the economic policies of M. Raymond Barre, the Prime Minister, but by a series of unexpected developments which have shown up the fragility of the Government.

If the French autumn has suddenly become hot, the main reasons are clear. They are to be found in M. Barre's ill health, the renewed anti-government manoeuvres of the Gaullists, and the investigative efforts of the satirical weekly, le Canard Enchaine, which uncovered the Bokassa diamonds affair.

Almost overnight, the position of President Valery Giscard d'Estaing has become much less impregnable than only a few weeks ago, when he still appeared to be coasting to a comfortable second term victory in the presidential election due in early 1981.

The Canard's apparently well-documented allegations that President Giscard, when he was still Finance Minister in 1973, accepted a present of diamonds from the discredited ex-Emperor Bokassa of the Central African Republic, may not be the great political scandal that it has been built up to be in some quarters. The "Giscarat Affair," as it is now called in Paris salons, is unlikely to turn into a French Watergate, particularly since there is no *law in France preventing people* in official positions from accepting presents from foreign leaders.

General de Gaulle, whose integrity and moral rectitude has never been questioned by even his most virulent political opponents, built up a veritable museum of presents from foreign heads of government and state at his private residence in Colombey-les-Deux-Eglises.

But *though* the opposition Socialist and Communist parties have prudishly failed to make all the political capital they could out of the affair—perhaps in anticipation of the day when they themselves become ministers—some of the mud is bound to stick during the presidential election campaign.

It is also certain that the diamonds affair has given a psychological boost to both the Left-wing opposition and the Gaullists. Gaullists have long been fretting at their lack of freedom as members of the ruling coalition, which is dominated in practice, if not numerically, by the pro-Giscard UDF Centrists. And the European elections, which in France had more to do with domestic politics than Europe, were a demoralising affair for all but the Giscardians and the Communists. The other political groups have been sulking in their corners ever since.

The Socialists, who hoped to prove that they were the most *powerful political force in* France, were soundly beaten into second place by the UDF, while the Gaullists were relegated to an ignominious last place, defeated by a large margin even by the Communists.

The Communists, on the other hand, were cock-a-hoop at trailing only a short way behind the Socialists in spite of their anti-European policies. They took it as a sign that they had everything to gain by retaining their freedom of action from their erstwhile Union of the Left partners.

For some months, therefore, President Giscard's men have been ruling a much-divided roost. M. Jacques Chirac, the Gaullist leader, had his wings clipped by his own party, which felt that his abrasive manner and aggressive anti-Government tactics had lost the party many of its traditional supporters.
hbanw

On the other side of the political spectrum, the efforts of M. Francois Mitterrand, the Socialist leader, to blow new life into Union of the Left, were disdainfully repulsed by a cocky Communist Party intent on consolidating its own position in the country.

During the past two or three weeks, however, the chessboard has become much less static, and the political parties have begun to move their big pieces into position for next year's

President Giscard faces challenge from within and outside his Government as the long election run starts. Pictured beside him (left) are Gaullist, M. Jacques Chirac and Socialist M. Francois Mitterrand.

Presidential manoeuvres—somewhat early by the standards of all other countries except the U.S.—it might be thought, but that is the traditional pattern in France, where politicians like to keep in training even for matches which are still 18 months ahead.

It was always a safe bet that M. Chirac would not be able to restrain himself for very long. He is constantly straining at the leash even when, as at the beginning of this year, he was physically immobilised in a hospital bed after a car accident.

He timed his come-back carefully, with dire results for the Government. Having been criticised frequently by friend and foe alike for failing to follow up his verbal attacks on M. Barre's economic austerity policies with positive political action, the Gaullist leader decided to use the debate in the National Assembley on the 1980 budget to mend this hole in his armour.

Though M. Chirac's manner has become more courteous, his weapons have become more deadly. He announced straight away that the Gaullists would not vote for the budget unless cuts of some FFrs 2bn (about £220m) were made in the Government's public expenditure proposals, and for once carried out his threat.

What is even more serious, as far as the Government is concerned, is that pro-Giscard UDF deputies originally supported the Gaullist amendment on spending cuts in the National Assembley's finance committee, though they abstained when it was put to the vote.

The Gaullists' failure to support the Government resulted in the defeat on the first reading of the whole revenue section of the budget. This led to the unprecedented situation where Parliament is now discussing the Government's expenditure proposals without knowing what the Treasury's receipts will be in 1980.

There is still time for a compromise to be reached between the Government and the Gaullists before the second reading of the Finance Bill on November 17. If the worst came to the worst, the Government could force the budget through the National Assembly by making it a question of confidence.

Matters have certainly been made worse by the sudden admission to hospital of M. Barre with high blood pressure. He is the chief architect of the budget and the Government's much-criticised economic policy, and might have been more successful than M. Maurice Papon, the Budget Minister, in reaching a settlement.

Rumours that M. Barre would soon be replaced as Prime Minister have been rife for some weeks, and M. Giscard d'Estaing is plainly anxious to enter the presidential election campaign with as popular a premier as possible.

The danger for President Giscard is that the Gaullists, whose leader also has strong presidential ambitions, will step up their harassment of the Government after their success in the budget debate. Whatever happens, the Gaullists will certainly be even less of a docile partner during the next 18 months than they have been so far as they attempt to show the voters there is a real Right-wing alternative to President Giscard.

Whether there will also be a credible Left-wing presidential candidate remains to be seen. The Communists have already announced they will put up a candidate, probably the party leader, M. Georges Marchais. But he will almost certainly be knocked out of the race in the first round. The big question mark is who the Socialists will chose as their representative.

M. Francois Mitterrand, the socialist leader, has recently strengthened his previously tenuous hold on the party by trying to patch up the quarrels between the party's Left and Right wings.

Public opinion polls show that his main rival within the party, M. Michel Rocard, the representative of the Social-Democratic wing, stands a much better chance of beating M. Giscard d'Estaing. But M. Rocard has made it clear that he will not stand in M. Mitterrand's way if the latter decides to enter the lists. For internal party reasons, therefore, the Socialists might well chose a candidate who is the least likely to unseat President Giscard.

Iceland tries to break its dependence on Soviet oil

BY WILLIAM DULLFORCE IN REYKJAVIK

ICELAND IS in difficulties with its petroleum imports from the Soviet Union and is seeking alternative sources of supply. Mr. Johannes Nordal, the governor of the central bank, has just returned from visits to Norway, Finland and Britain, apparently with little hope of changing matters in the near future.

He declined yesterday to say anything about the results of his tour but said it would be difficult to improve Iceland's oil import situation next year. The lesson was that the country needed a more flexible long-term oil policy.

Iceland has been buying most of its petroleum from the Soviet Union under a five-year trade agreement which stipulates that Rotterdam spot market prices should apply. This means that its oil import bill probably will more than double to around $150m this year.

Moscow has rejected a request to supply Iceland with crude which it could refine on its own account in Western refineries. Last year the Icelanders imported 416,000 tons of fuel oil and 95,000 tons of petrol.

Oil accounts for more than half total energy consumption. It is particularly important for the fishing fleet, which provides 75 per cent of the country's exports.

The national economic institute forecasts a deterioration of 11-12 per cent in Iceland's terms of trade this year as a result of the oil price increases. This in turn would have a direct impact of at least 5 per cent and considerably more when the indirect effects come through, on the exceptionally high rate of inflation prevailing. Consumer prices are expected to go up by around 55 per cent between the beginning and the end of the year.

Deadlock averted in EEC food aid controversy

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

THE EEC has advanced a stage towards improving the controversial procedures used by the Commission to distribute food aid. This year, the EEC and its members will distribute around $600m worth of such aid but delays of over two years are occurring in the handling of requests for aid and political criteria often prevail over developmental ones.

Earlier this week, flexibility by France and West Germany prevented the breakdown of attempts by the Commission, backed by Britain, to reform the system. A meeting of EEC development ministers in Luxembourg took up Commission proposals aimed at streamlining the distribution of aid and ensuring that it is allocated on purely developmental criteria. Sufficient progress was made for the matter to be referred back to ambassadorial level.

EEC food aid involves an annual 1.3m tonnes of cereals and has also been a mechanism for reducing the Community's "dairy mountain." In recent years an annual 150,000 tonnes of dried skimmed milk and 45,000 tonnes of butteroil has been distributed. Traditionally, shipments are mainly to countries in Asia, the Far East and Africa. Over the years it has become progressively more important than national programmes.

The food aid, however, has long seemed to have evolved faster than its ability to handle it. At present the Commission has to prepare annual programmes which are sent for approval to the Council of Ministers.

Further delays occur at the stage of the drafting of country agreements by the Commission, approval of these by the recipient, and publication of tenders. Emergency procedures do exist, but there have been occasions when aid has only arrived after the emergency is over.

Last January, the Commission proposed that it be given more powers, that a management committee be set up at the level of senior civil servants and that aid should be allocated on purely developmental criteria. Britain has since been pressing for the adoption of these proposals and has the support of the Danes. But the French and Italians have objected.

This week, however, differences between the various parties narrowed significantly.

Bilbao women facing long jail sentences

BY DAVID GARDNER IN MADRID

ELEVEN WOMEN go on trial today in a test case of perhaps the most divisive issue in Spanish society. Accused of "abortive practices"—procuring, performing or having an abortion—they face a total of up to 120 years' jail.

The Spanish penal code, backed by the Catholic hierarchy which equates the termination of pregnancy for any reason with the taking of life, rigorously outlaws abortion. The position of the ruling Union de Centro Democratico (UCD) differs only slightly from this in that it envisages family planning facilities as the antidote to abortion. However, out of 72 family planning units scheduled by the Government, only 19 have been set up.

Both Church and Government restated their implacable opposition to abortion last month, and the trial is a logical follow-through, even though the women concerned, all of working class background, had their abortions between two and 12 years ago.

According to the Supreme Court, an estimated 300,000 clandestine abortions take place in Spain each year. Information gathered by feminist organisations shows that as many as 3,000 women a year either lose their lives or become seriously ill or sterile at the hands of backstreet abortionists or well-meaning amateurs.

Some Spanish women seeking an abortion are luckier. Those who can afford it make the well-known weekend "shopping-trip" to London or Biarritz and receive proper medical attention in legally recognised clinics. According to British Government figures, 10,138 Spanish women had abortions in the UK last year, while about 1,600 went to clinics in the French Basque country.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

Authorities take blame for Polish power cuts

The Polish authorities have admitted that planning faults are responsible for power shortages plaguing industry, writes Christopher Bohinski in Warsaw. Mr. Jan Szydlak, a politburo member and Vice-Premier responsible for energy, told Parliament yesterday: "The processes which have contributed to the present energy situation were not foreseen early enough."

He was introducing measures which will transfer about 80,000 workers who produce power plant and build power stations from the heavy machinery industry to the energy industry. He admitted that the authorities had not devoted enough resources to solving the problem earlier and that demand for energy had grown on a much greater scale than anticipated over the past two years.

Romanian reshuffle

President Nicolae Ceausescu of Romania yesterday appointed four new Ministers in a Government reshuffle affecting legal and economic matters, Reuter reports from Vienna. The appointment of new Justice and Transport Ministers as well as a new Supreme Court chairman and Secretary of State for International Economic Co-operation were announced only one month before the Romanian Communist party's 12th congress.

Danish Cabinet today

Prime Minister Anker Joergensen, of Denmark, will present his Social Democratic minority to the Queen today, writes Hilary Barnes in Copenhagen. Meanwhile the seriousness of the country's economic problems has been underlined yesterday by the September consumer price index which shows an annual rise of 14.4 per cent.

Swedish duties raised

The duty on alcohol, tobacco and snuff is to be increased in Sweden, writes John Walker in Stockholm. From tomorrow the state-owned wine and spirit monopoly will put up prices by about 10 per cent. The increased duty on snuff and tobacco is another victim of the Government's drive to obtain further revenue. A standard packet of cigarettes will now cost over £1 for 20. The measures are expected to raise about SKr 1.4bn (£153m) for a whole year.

Political uncertainty in Turkey threatens accord with IMF

BY METIN MUNIR IN ANKARA

THE STAND-BY agreement between Turkey and the International Monetary Fund risks falling a victim to the political uncertainty which has followed the recent elections. In the words of one very senior Turkish official: "We may just not have a government to talk to the IMF next month."

Mr. Bulent Ecevit, who negotiated last July's 12-month $250m special drawing rights ($325m) agreement, has resigned as Prime Minister following his severe defeat at the polls, and is now acting on a caretaker basis. His obligations to the fund will be left to his successor.

This could be Mr. Suleyman Demirel, leader of the right-wing Justice party, which made significant advances in the elections. He was asked to try to form a government by President Fahri Koruturk, only two days ago. As a consequence a meeting with the IMF scheduled for November 5 may not take place.

The high-ranking Turkish official said Mr. Ecevit had undertaken to raise further the prices of petrol, fertilisers and some other major commodities immediately after the elections. The promise was made when he obviously was not expecting to lose or resign.

If these prices are not raised, said the official, a very large state subsidy may be required which would force the central bank to exceed the limits on its credits to the public sector set under the stand-by agreement.

"This would be unavoidable and its consequences severe," said the official.

Some measures could be implemented by the bureaucracy, but the principal undertakings—like the increase of prices—had to be authorised by the Government.

Mr. Ecevit, he added, had also promised to reappraise the value of the Turkish lira with a possible view to a devaluation or adjustment of the cross rates.

Turkey was scheduled to draw the second tranche of the IMF credit after November 22, said the official, but the necessary consultation might not take place because there was no government in Ankara to take the responsibility.

Failure by Turkey to update its economic measures to the satisfaction of the IMF could lead to an interruption in the inflow of funds from the countries of the Organisation of Economic Co-operation and Development and banks which put together a loan of about $1.5bn. The consequences of this on the third year of acute recession could be severe, said the official.

'Death' for Palestinians

BY OUR ANKARA CORRESPONDENT

A TURKISH military tribunal yesterday pronounced the death sentence on four Palestinian guerrillas convicted of killing two policemen and seizing the Egyptian Embassy in Ankara for 45 hours last July.

The verdicts were unusually severe. The tribunal sentenced the men, who are members of the extremist Red Eagles of the Liberation of Palestine, to death twice for each of the murders. It also condemned them to about 20 years' jail on charges ranging from attempting to disrupt Turkey's relations with Egypt, to carrying firearms.

Their six Turkish accomplices received sentences of between one and 20 years' jail.

While the Palestinians smiled, the judge said that, instead of repenting for the murders, the men had expressed regret that the goal of their mission had not been fulfilled. This was to secure the release of their colleagues from an Egyptian jail.

It is unlikely, however, that the death sentences will be carried out. There is an automatic right of appeal to a higher court which may be more lenient. Also, death sentences must be sanctioned by an Act of Parliament which rarely endorses execution bills. The last executions carried out in Turkey were ... nearly seven years ago.

The Government would be ...

Ustinov warns of risk to detente

By David Satter in Moscow

THE SOVIET Defence Minister, Marshal Dmitri Ustinov, yesterday warned the U.S. that plans to station new U.S. missiles in western Europe would damage both U.S.-Soviet relations and the prospects for peace throughout the world.

Writing in the Communist party newspaper Pravda, Marshal Ustinov used some of the toughest Soviet language about U.S. policies heard since the Vienna summit between the leaders of the two countries.

The U.S. was talking about detente in words but by its actions was "whipping up an atmosphere of fear, putting the arms race into higher gear and openly conducting military preparations," he said.

NATO's "aggressive aspirations" represented "a mine put under the edifice of peace in Europe." He warned that if, "despite the good will of the Socialist countries," the NATO powers "transform Western Europe into a launching pad for U.S. strategic weapons," they would meet with a "firm and convincing reply."

He said the aim of the NATO leadership appeared to be to station U.S. Cruise and Pershing missiles in Western Europe and then negotiate force reductions from a "position of strength."

"It appears that parity no longer suits the NATO strategists," Marshal Ustinov said. Regardless of what plan NATO pursued, however, "it is only on the basis of reciprocity that we intend to conduct talks with Western countries."

Underscoring what he said were the Soviet Union's peaceful intentions, he elaborated on the "offer" to withdraw up to 20,000 troops and 1,000 tanks from East Germany. He said the troops and equipment would be moved to Soviet territory and not elsewhere in Eastern Europe.

Marshal Ustinov also said that President Leonid Brezhnev offered cutbacks in both the total number of Soviet missiles and in their total nuclear yield when he proposed reductions in Soviet medium range missiles ...

ITALY, BELGIUM, EXPECTED TO TAKE PERSHINGS

Boost for NATO mobile missile plan

BY GILES MERRITT IN BRUSSELS

ITALY AND BELGIUM are expected to declare their readiness to deploy a new generation of nuclear missiles, in advance of the key mid-December meeting of North Atlantic Treaty Organisation (NATO) Defence and Foreign Ministers. The meeting is due to decide on the modernisation of the alliance's medium-range, theatre nuclear forces (TNF).

An announcement by either country that it will accept the siting on the new Cruise and Pershing 2 mobile missiles on its territory would clear the way for the Bonn Government to state that it will also deploy the weapons. West Germany has indicated that it will accept the missiles if at least one other continental partner in the alliance does likewise.

The aim of the modernisation drive is to counter the build-up of medium-range Soviet nuclear weapons, such as the SS20 mobile missile and the Backfire bomber, by siting over 100 Pershing 2a and about 460 Cruise missiles in Western Europe.

A formal decision on the programme is not scheduled until the ministerial meeting. But doubts arising from Soviet attempts to arrest the programme, and the U.S. Congress's apparent unwillingness to ratify SALT-II, the arms limitation treaty, have intensified U.S. political pressures on its alliance partners to declare their support for the programme before December.

If West Germany, Italy and Belgium openly accept the new medium-range weapons in coming weeks, the Netherlands will come under increasing pressure to follow suit, despite serious opposition within the coalition Dutch Government.

There are growing indications from NATO's Brussels headquarters that the U.S. hopes its European partners will have publicly accepted the theatre nuclear forces modernisation plan before December. It has also been suggested that next month's meeting of alliance Defence Ministers in The Hague for the nuclear planning group could yield early developments.

The Italian Government has made no formal declaration to date concerning its intentions on the programme, but has allowed it to be widely understood that it will deploy the new missiles. Italy's financial contribution to the modernisation plan, which should start in 1983 at an overall cost of $4.5bn, is calculated at about $400m.

Both in the alliance and inside the Belgian Government there are indications that Belgium is in little doubt over the need to participate in the programme, but is still pondering the correct procedures for announcing the decision. Alliance nuclear devices are already sited inside Belgium.

The Bonn Government last week defined its policy on theatre nuclear forces at a crucial Cabinet meeting. But its final decision is believed to be contingent on the need for the alliance's forthcoming ministerial meeting to agree to begin formal negotiations with the Soviet union on limitations to the programme.

Spain reiterates N-plant promise

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government has once again reiterated its determination to press ahead with the controversial nuclear plant at Valdecaballeros in Extremadura. But work there remains at a standstill in spite of a commitment by the Government to give a decision on October 14.

At the end of August, the Government announced that work could resume on two nuclear plants—at Valdecaballeros and Trillo, near Guadalajara in central Spain. All site work was stopped 18 months ago pending a review of national energy policy.

While the go-ahead for Trillo was greeted without protest, immediate demonstrations followed over the Valdecaballeros decision. After two weeks of demonstrations and sit-ins by local mayors, the Government agreed to halt construction once again to allow time for local inhabitants to be better informed about the plant's installation.

There were two main objections to the plant—a boiling-water reactor with two 975 MW units. People feared that it would use too much water in a region where this resource is scarce and needed for agriculture. Second, there were fears that safety had been insufficiently studied. A further objection has been that the boiling water reactor is out of favour in the nuclear industry.

In mid-September, attempted to inform people in the area about the plant, but this has not dissipated passions nor calmed the opposition of the Socialist and Communist Parties to the project.

In Parliament on Wednesday these objections were vigorously aired again and Sr. Ramon Tamames, the Communist chief economic spokesman, suggested a referendum. This was rejected and Sr. Carlos Bustelo, the Industry Minister, insisted that the Government would go ahead with the project.

Low turn-out expected in polls

BY OUR MADRID CORRESPONDENT

IN THE first referendums on regional autonomy in Spain, voters in the Basque country and Catalonia yesterday went to the polls. Early reports from both regions confirmed predictions of a moderate endorsement of the autonomy statutes.

The principal interest has centred on the Basque country ...

Herri Batasuna gained 16 per cent of the vote. A further 32 per cent abstained. Herri Batasuna is hoping to capitalise on these "technological" abstentions—largely among the substantial immigrant community—in order to boost its showing against the present statute.

... electorate would endorse their autonomy statute, which has been approved by the Spanish Parliament. Early voting figures for Catalonia also suggested a low turn-out.

Portuguese assured over credit

By Jimmy Burns in Lisbon

BARRING a total political and economic breakdown, Portugal's access to the international financial markets is assured whether or not an agreement is signed next year with the International Monetary Fund. This emerged yesterday at the end of an international bankers' seminar on the Portuguese economy organised by the Banco Portugues do Atlantico, the country's leading commercial bank.

It has been suggested that Portugal's creditworthiness has been affected adversely by failure to renew its agreement with the IMF this year. But the seminar, which drew participants from 18 countries including the U.S., West Germany and Britain, emphasised the considerable improvement in Portugal's balance of payments and the ... "institutional ..."

Dr. ... Marques, of the ... forecast that ... account would fall to ... The trade gap ... he said, ... in tourism (up 44 ...) emigrants' ... 33 per cent)

Richard Johns reports on the latest rises in Middle East oil prices

OPEC game of leap frog

SO, AFTER some deliberation, Algeria has duly followed six other producers which have raised their prices since October 9. The consumers should perhaps be glad that it has done so. There was more than a suspicion that Algeria might leave the official selling rate for its premium crude varieties at the maximum level of $23.50 for the second half of 1980 set at the last ministerial conference of the Organisation of Petroleum Exporting Countries (OPEC), and then compensate itself in the first quarter with a surcharge. That would have merely given further grounds for another bout of price leap-frogging early next year.

Speculation on what might happen in three months is only an idle exercise. However, the world cannot make the assumption that the next OPEC conference schedule to begin in Caracas on December 17 members will succeed in establishing a rational price structure.

In effect, the result of the July meeting in Geneva was a compromise. Basically, it left a two-tier price structure, with Saudi Arabia at the lower end of the scale and the majority of other producers at the upper end. Their prices were adjusted roughly in line with traditional differentials—reflecting gravity, quality (particularly in relation to lack of sulphur and location) —on a plateau $4 above the $18.00 per barrel set for the Kingdom's Arabian Light, traditionally the reference for all other OPEC and non-OPEC crudes. Floating between the two extremes were Abu Dhabi and Qatar, two moderates under the influence of Saudi Arabia.

Significantly, they have not joined the other producers of the Gulf in the upward surge.

As it is, Algeria has merely brought its prices into line with those of Libya, which was the first to crash through the ceiling that was supposed to be sacrosanct until the end of the year. The expectation must now be that Nigeria will follow suit. All three had been on the upper ceiling.

When Iran increased the official selling rate for its premier crude variety, from $22 to $23.50, it eliminated the advantage traditionally enjoyed by the top-quality, short-haul North African crudes. In market terms that, too, would be the rationale for the UK, the Soviet Union and, though more questionably, Mexico, to join the inflationary stampede. The $23.50 ceiling simply could not withstand the addition of Iran.

Following an average increase in OPEC prices of over 60 per cent in the first six months, there seemed hope of stability for the rest of 1979 until as recently as a month ago. Kuwait's 10 per cent increase set the ball rolling. Its price rise was justified and explained as an adjustment of differentials—restoring Kuwaiti crude's traditional disparity in relation to Iranian Light and Iraqi Kirkuk (shipped from the Gulf) as it existed at the end of 1978. Then they were respectively 62 and 67 cents more expensive. In the third quarter, both were $2.51 more expensive, a differential that Kuwait's action temporarily reduced to 57 cents.

MIDDLE EAST OIL PRODUCERS' PRICES

PRODUCERS	TOTAL OUTPUT Jan.-Aug. Average (million barrels a day)	CRUDE VARIETY API gravity	PRICE (official per barrel—$)	COMMENTS
GULF				
Saudi Arabia	9.384	Arabian Light 34	18.00	
(Aramco)	(9.100)†			
(Divided Zone)	(0.284)			No increase since July
Iran	2.817	Iranian Light 34	23.50	Up $1.50 and within official OPEC ceiling. Iran selling substantial quantities on spot market at prices of up $40 and more
Iraq	3.350†	Kirkuk 36 (Mediterranean)	23.50	Up $1.00 and within official OPEC ceiling⊕
		Basrah Medium 30	21.30	Up $2.00
Kuwait	2.573	Burgan 31	21.43	Up $1.94 and within official OPEC ceiling⊕
(Kuwait)	(2.286)			
(Divided Zone)	(0.287)			
Abu Dhabi	1.451	Murban 39	21.56	No increase since July 1
Qatar	0.507	Dukhan 40	21.42	No increase since July 1
Dubai	0.363	Fateh 32	21.43	Half production about to be sold at spot market prices, currently $33-$36
Oman	0.299	Oman blend 34	24.20	Up $2.20 Non-OPEC⊕
NORTH AFRICA				
Libya	2.066	Zuetina 40	26.27	Up $2.77 together with six other premium varieties selling on Libyan spot market
Algeria	1.174†	Sahara Blend 44	26.27	Up $2.77

† Estimated ⊕ OPEC ceiling $23.50

Source: Petroleum Intelligence Weekly

Tarling trial in final stages

By Kathryn Davies in Singapore

THE TRIAL of Mr. Richard Tarling, the former Slater Walker director, in Singapore's high court is maintaining its reputation for over-running to the very end. Mr. Tarling's final defence submission, concluded yesterday, took twice as long as his counsel, Mr. Howard Cashin, had anticipated at the end of last week.

Mr. Tarling is facing five charges under Singapore's Companies Act which allege that as a director of Haw Par Brothers International he wilfully failed to provide shareholders with a true and fair account of the company's profits in 1972 and 1973. At that time Slater Walker had a substantial stake in the company, and the defendant was one of a number of Slater Walker directors appointed to the Haw Par Board.

The prosecution says that he was actively involved in creating a device to hide the substantial dealing profits made by the Haw Par group in Hong Kong—namely the setting up of the Melbourne Unit Trust and the sale to the trust's trustee of a Haw Par subsidiary which had made huge dealing profits in 1972.

In a 100-page written submission read out to the court over four days this week, the defence counsel reviewed the evidence given by both prosecution and defence during the 13 week trial—said to be the longest in Singapore's legal history.

In addition, Mr. Cashin told the judge, Mr. Justice Kulasekaram, that his verdict would affect chairmen and directors of multinational companies with subsidiaries in Singapore who, like Mr. Tarling, visited the republic infrequently and relied on local expertise.

The prosecution has now begun its final submission, also running to around 100 pages.

Phnom Penh still hesitant on Thailand aid route

BY RICHARD NATIONS IN BANGKOK

THE APPEAL by three U.S. Senators who visited Phnom Penh on Wednesday from relief supplies to enter by road from Thailand has received an ambiguous response from Phnom Penh.

Hun Sen, Foreign Minister of the Heng Samrin regime, had previously told the Senators that security was no barrier, and that the ruling party's Central Committee would consider proposals for an overland relief operation carried out by international organisations.

The Foreign Minister said the Americans had come to study the food problem and the possibility of U.S. contribution to international relief efforts, according to Vietnam News Agency, quoting Radio Voice of the Kampuchean People.

But "far from confirming this possibility, the U.S. Congressmen sought to direct the conversation to the problem of transportation of aid which may arrive," Hun Sen said.

The port of Kompong Som and Phnom Penh's airport were "fully capable" of taking the present aid bottles. If aid were substantially increased, however, Kampuchea would "consider new accesses if necessary."

Hun Sen made no direct reference to an overland supply route from Thailand, regarded as the most effective way of getting aid to Cambodia quickly.

● Gen. Kriangsak Chomanan, Thailand's Prime Minister, cut short a tour of South-east Asia yesterday and returned to Bangkok, after visiting only Kuala Lumpur. Gen. Kriangsak was suffering from flu, officials said.

Contrary to the first reports after the Prime Minister unexpectedly cancelled plans to go to Singapore and Indonesia, there have been no new threatening Vietnamese troop movements on the border recently, and the most urgent need in the border area has been the orderly evacuation of Khmer refugees to newly organised camps about 60 kms inside the country.

Thai military officials said Khmer Rouge soldiers asked to disarm and enter the camps preferred to return to Cambodia to fight.

SPECTRE OF MASS STARVATION IN KAMPUCHEA

The politics of hunger

BY PHILIP BOWRING IN BANGKOK

KAMPUCHEA'S famine is a disaster made by man, not by nature. As such it is all the more difficult to relieve. The same conditions of local war and international politics which created the catastrophe for the Khmer people stand in the way of relief.

Like most famines the problem is not one of availability of supplies but their distribution. This is especially the case with Kampuchea, adjoining as it does one of the world's great granaries, Thailand. The border is only three hours drive from Bangkok from which in one year more than 10m tons of rice, maize, sugar and tapioca are exported. Kampuchea needs less than 2 per cent of that.

Nor should transport be a problem. In Kampuchea itself, and to its east, sits the Vietnamese army, which has shown the world a series of logistical marvels, starting with the siege of Dien Bien Phu. But Vietnam lacks food and its army is otherwise engaged. Thailand has at home or at hand most of the systems needed to deliver all the food by land, sea or air. It has almost all the modern infrastructure that years of buoyant trade, economic growth and an American military presence could provide.

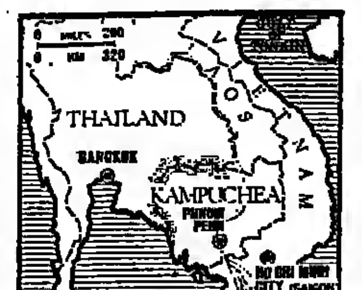
As if all this were not enough, there is gathering international support for relief programmes, a galvanising of virtue, charity, donations and voluntary work.

But the political problem stands full square in the way of all these forces and resources. Valiant efforts are being made to find ways around the blockage. Some success is being achieved, particularly on the Thai border. But meanwhile the depopulation of Kampuchea continues.

The problem like the politics divides into two sectors: that adjoining the Thai border, and the rest of the country over which the Vietnam backed Heng Samrin regime has varying degrees of control. By the very roughest of estimates, there are 400,000 to 500,000 people in the extreme west of the country and encamped in Thailand itself. The rest of the country has perhaps another 2.5m people.

Numbers themselves have ceased to have much meaning. Even numbers in Thailand itself vary widely. At the same time Thai army officers were saying there were 100,000 already in Thailand, an international agency was stating a figure double that size.

The figures sometimes may be exaggerated for propaganda purposes. Generally there is just what the head of one big agency calls "one hell of a



confusion." Numbers are difficult to count at the best of times and there is in fact crossing of the border in both directions. Stories of chaos, inefficiencies, corruption, and inter-agency wrangling on the Thai border are all true. But they are only part of the truth and not central to the problem.

In addition to the 100,000 or 200,000 Kampucheans who have recently arrived in Thailand there are estimated to be another 100,000 close to the border who are receiving some supplies from International Red Cross (IRC) and the United Nations Children's Fund (UNICEF). The situation is changing daily and it is not surprising if some times the food and medicines are not where the people are.

It is further complicated by the fact that the groups to the south of the border town of Aranaprethet are mostly hard-core Khmer Rouge groups (that is supporters of the previous Pol Pot regime) consisting mostly of women, children, the old and sick. Fighters and their families used to stay together but now that Thailand has started moving the Khmers to new camps well behind the border the able-bodied men will have to carry on the fight alone.

North of Aranaprethet, there are right-wing Khmer Serei groups—supporters of the Government overturned by Pol Pot. Most have struggled to the border area in search of food and the possibility of refuge in Thailand. Some have come from central and even eastern Kampuchea, heading first for the Battambang area, once the granary of Kampuchea, not finding food, and then moving on.

The camps themselves are informal affairs, partly cleared areas of forest or rough grass, where the Khmers have stopped. They are run by the Thai army, which is also responsible for distributing food supplied by the World Food Programme.

The WFP has a ration per head but numbers are vague. Distribution is in the hands of the Thai army, there is little accounting and accusations have been made that the army has purloined some supplies.

Corruption doubtless exists in some units, but many agency personnel have high praise for the care and concern that the ordinary Thai soldiers have shown for the Khmers. The army has often been quick to bring in equipment to fell trees, dig water holes and create other amenities. More than adequate quantities of food, rice, dried fish and oil are now available in most camps.

Medical problems are more serious. Medicines are widely available but doctors and nurses are few. Many people are very sick and need close attention. Medical teams are the most effective contribution that the world conscience can make. Voluntary agencies have been very valuable in that they can move freely and quickly to meet particular needs. But sometimes they are overquick to criticise some agencies which may be slow but are the only ones which can deliver goods and services in the volume which is required.

Chinese embezzler 'to die'

BY JOHN HOFFMANN IN PEKING

A CHINESE court has sentenced a woman to death for embezzling 500,000 yuan (£153,000) from a company she had turned into a private empire.

For nearly seven years the woman, Wang Suxing, had milked money and property from the Bingxian County Fuel Company in China's north-eastern Heilongjiang province.

The evidence at her trial, which ended last week, painted Mrs. Wang as a person with a unique talent for corruption. She is said to have turned the chaos of the cultural revolution to her advantage in 1971 and bribed her way to the top of the company. Then, using intimidation and forged documents, she allegedly stacked the management and the company's Communist Party branch with her cronies and relatives.

Mrs. Wang's systematic theft of company funds involved elaborate conspiracies to divert money and disguise illegal transactions. Dozens of suspicious employees had their careers ruined when Mrs. Wang had them exiled on trumped-up charges to remote parts of China. More tractable staff members were compromised with bribes and privileges.

Mrs. Wang's tyranny was finally broken last year when an honest official produced evidence that she had forged the confession of one of her critics. "With one hand she grabbed power and with the other she grabbed money," a prosecutor told the trial court.

The court agreed, handing down the first death sentence for embezzlement in China since the early 1950s. Her lieutenant in crime, an accountant who devised a "black bank" to hide Mrs. Wang's stolen money, was jailed for 15 years. Five members of her family who took part in the conspiracies went to prison for up to seven years.

Korean students protest

SEOUL—University students staged an anti-Government demonstration in the southern city of Taegu yesterday, a week after student-led riots in nearby Pusan and Masan were stifled by martial law.

About 500 students of Kyemyung University in Taegu, 400 kilometres south of Seoul, held a campus rally and adopted a resolution calling on the Government to carry out democratic reforms.

At one point, the students reportedly tried to march off the campus, but were turned back by about 800 police who had rushed to the scene. There were no reports of violence or arrests.

Earlier yesterday, South Korea's ruling party re-convened the National Assembly and adjourned it three minutes later while officials continued their attempts to end the political crisis which sparked last week's violent riots.

AP

FOOD PRICE MOVEMENTS

	October 25 £	Week ago £	Month ago £
BACON*			
Danish A.1 per ton	1,220	1,220	1,180
British A.1 per ton	1,200	1,200	1,160
Ulster A.1 per ton	1,200	1,200	1,160
BUTTER			
NZ per 10 kg	13.20/13.37	13.20/13.37	13.20/13.37
English per 10 kg	17.67	17.67	17.67
Danish salted per 10 kg	18.35	18.35	18.35/18.47
CHEESE‡			
English cheddar	1,450	1,450	—
Irish cheddar	1,481.03	1,471.19	—
Danish cheddar	1,430	1,420	—
EGGS*			
Home produced:			
Size 4	3.80/4.00	3.80/4.00	—
Size 2	4.30/4.50	4.40/4.50	—
	October 25 p	Week ago p	Month ago p
BEEF			
Scottish killed sides ex-KKCF	60.0/65.0	60.0/65.0	60.0/65.0
Eire forequarters	42.0/44.0	43.0/44.0	44.0/46.0
LAMB			
English	46.0/50.0	49.0/51.0	52.0/57.0
NZ PLs/PMs	53.0	47.0/52.0	47.0/49.5
PORK			
All weights	39.5/50.0	38.0/50.0	38.0/46.0
POULTRY			
Oven-ready chickens	37.0/42.0	38.0/48.0	38.0/44.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks, delivered, per tonne.

Your company's hand drying system. Could you face it in your own bathroom?

It's not a rhetorical question.

It's a question of money down the drain.

For, surely, the small fortune your company spends on laundered cotton towels ought to provide you with a system decent enough to grace your own bathroom. Oughtn't it?

We reckon so.

But then we've got a more ingenious hand drying system than cotton.

We look better, we work better, and, by golly, we cost better.

Indeed, we can operate for as little as half the cost of cotton.

Our system, furthermore, never hangs around like an unhygienic rag or runs out and refuses to work.

It simply delivers an individual paper hand towel at the touch of a button.

Paper? A paper towel?

We appreciate your scepticism. How can paper be compared realistically with cotton?

Well, since we are the country's biggest soft tissue maker, we naturally have the industry's most advanced technology.

As a result, our scientists have created a paper towel which is strong, soft and very absorbent.

And we can easily prove it by sending you samples of our paper towels in the post.

Fill out the coupon and we'll do the necessary.

If you like, we can also demonstrate our system to you in your own office.

(Or your own bathroom if you insist.)

To: Alan Hubbold, Bowater-Scott Corporation Ltd., Crete Hall Rd, Northfleet, Gravesend, Kent DA11 9AD. Tel: Gravesend (0474) 64488.

☐ I'm sceptical, but prepared to learn more. Please send me further facts and paper samples.

☐ Please arrange for a representative to call and show me your system.

Name__________

Company__________

Address__________

HD2/FT 26.10

The Bowater-Scott Controlomatic System.
A better way to dry your hands.

Controlomatic system

U.S. home savings industry gets extra liquidity

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Home Loan Bank Board moved yesterday to allow extra liquidity into the savings industry amid fears that high interest rates will result in a severe outflow of funds from savings institutions.

The Board said that it will reduce from 6 per cent to 5½ per cent the proportion of the savings institutions' assets which must be kept in easily realisable liquid form, a move which it estimated could free up to $2½bn, some portion of which will be used for increased mortgage lending.

In September both savings and loan associations and mutual savings banks, the institutions which account for the bulk of finance to the U.S. housing market, playing a role similar to British building societies, suffered savings withdrawals of $1bn. Since then the Fed's October 7 moves have resulted in further dramatic increases in interest rates.

The increases have reduced the attractiveness of many of the schemes offered by the savings industry. Government regulations control the amount of interest the savings institutions can pay, with the exception of the special six months saving certificates, and have left the industry at a competitive disadvantage.

In addition, many savings institutions could not afford to offer savers higher rates, since they have on their books a significant volume of fixed-rate home loans made when interest rates were far below current levels.

Some savings and loan associations and savings banks, including First Charter Financial Corporation, the third largest association in California which is the nation's biggest housing market, have stopped making new loans.

Earlier this week Gibraltar Financial, another large California concern, raised its lending rate to 14 per cent.

These moves, which are mirrored elsewhere in the U.S., have resulted in fears that the housing market, which has maintained a new start rate of around 1.8m units a year so far in 1979, could face a drastic cut in activity.

Current forecasts suggest that starts in 1980 could slump to 1.5m units, and this reduction in new building is enough to have a depressing activity on the economy.

The U.S. Savings and Loan League, a trade association, has said that withdrawals of funds from members could run at a net $1bn a month for the next few months if interest rates remain at current high levels.

Federal regulatory agencies say that for some months they have been making contingency plans to deal with prospective failures of thrift institutions unable to cope with a profits squeeze and a net outflow of deposits.

Yesterday's action is designed to try to ensure that the impact of high rates on the housing industry is not too drastic, and that the burden of tight money is spread evenly through the economy, a goal which is bound to appeal to the Carter Administration.

Earlier in the month President Jimmy Carter told construction union officials that he would not fight inflation with construction jobs, but high mortgage interest rates and inadequate housing finance are not a political asset in an election year.

St. Vincent faces lonely battle

BY TONY COZIER IN BARBADOS

WHEN the impoverished Caribbean island of St. Vincent (pop: 105,000) gains its political independence from Britain this weekend, it will join its three neighbours in the Windward Islands — Dominica, Grenada and St. Lucia — in combating acute problems of development. But like them, it will fight its battle alone.

For the past ten years the island has occupied a kind of constitutional "half-way house" between complete dependence and full autonomy, having no say in either its defence or its foreign affairs. Behind this "associated state" arrangement, devised by Britain shortly after the collapse of the West Indies Federation, was a hope that the smaller islands of the Windwards and Leewards would eventually link up.

Now the idea has been proved a pipedream, and the islands are going their separate ways. Dominica, Grenada and St. Lucia have all preceded St. Vincent to their new constitutional status. This Saturday the Duke and Duchess of Gloucester will be representing the Queen as the Union Jack is lowered with all due pomp and ceremony and a new blue, yellow and green flag takes its place.

The four islands are remarkably similar. They are all small, in every sense of the word — size, population and resources. They have economies heavily reliant on agriculture, with bananas and coconuts as the main export crops. And they are all seeking overseas aid and investment from wherever they can find it.

For St. Vincent's Premier, Mr. Milton Cato, and his Government, the position is not improving. The population is growing at nearly 1 per cent annually, pushing an increasing number of young people into the labour force, close to 20 per cent of whom are already unemployed. The average per capita income of US$ 250 annually remains one of the lowest in the region.

In addition, the entire social and economic life of the island was thrown into a state of disarray last May with the eruption of the active Soufriere volcano, 20 miles north of the capital, Kingstown. Although no lives were lost, a large area around the volcano had to be evacuated for two months, banana plants and other agricultural produce were badly damaged by ash, and the Government had to spend more than US$ 30,000 daily to keep refugee centres going.

Agricultural exports — bananas, coconuts, arrowroot and vegetables—were reduced by a half or more. Only now are they beginning to pick up again. As agriculture provides over two-thirds of all employment and contributes more than 20 per cent to the gross domestic product, the disruption to an already shaky economy can be readily appreciated.

There are a few encouraging signs, however. The damage from Soufriere was nothing like the destruction wrought by Hurricane David in neighbouring Dominica, and production in all sectors should be back to normal next year.

The Banana Association is confident that the revival in its fortunes in the period immediately preceding the volcano will continue and that production, over 90,000 tons in 1978, will go on rising, along with revenue from exports. These go solely to Britain, and were worth just over 9m East Caribbean dollars (£1.55m) in 1975. This year's figure was expected to be 20m East Caribbean dollars (£3.44m) until Soufriere erupted.

St. Vincent is the world's major producer of arrowroot, used mainly in the manufacture of baby foods and cosmetics. After a decline in the 1960s, it has been boosted by its use in the manufacture of computer paper and is in such demand that two new factories have been built. The acreage under cultivation is expected to rise from about 1,000 at present to 1,500 by 1981.

St. Vincent's two nearest neighbours, Grenada to the south and St. Lucia to the north, both have Leftist Governments now, the former by coup d'etat, the latter by ballot. Victory for the United Workers' Party at the polls would bring in an administration of far different political persuasion to Mr. Cato's, which has encouraged private enterprise and foreign investment.

Most observers still believe Mr. Cato will retain power. Yet Western aid donors and private investors will want to wait until he does before they hand out money.

Canadian banks raise prime rate

By Victor Mackie in Ottawa

FOR THE fourth time in the five months since the Progressive Conservative Government was elected, the Bank of Canada has raised the discount rate. This key interest rate yesterday went up a full percentage point to a record 14 per cent.

At the beginning of last year it stood at 7.5 per cent.

The Royal Bank of Canada in Toronto announced that its prime rate would rise one percentage point to 14.75 per cent today in response to the central bank's action and the Bank of Montreal announced a rise to 15 per cent.

Mr. Gerald Bouey, Governor of the Bank of Canada, reiterated yesterday that the problem was the continuing increase in U.S. interest rates. The Canadian central bank has usually reacted to increases in discount rate by the U.S. Federal Reserve. This week the Fed has taken no action, but several major U.S. commercial banks have raised their prime rates to a record 15 per cent.

The impact on Canada is similar whether the upward pressure comes from the Federal Reserve or the U.S. commercial banks. If Canadian interest rates fall too far below those in the U.S. a capital outflow weakens the Canadian dollar.

Governor Bouey appeared before the Commons Finance Committee to explain that the central bank had to react to increased rates in the U.S. and that the rise was part of the effort to combat inflation.

Robert Gibbens in Montreal adds: The split in prime lending rates among leading later in the day when the Canadian Imperial Bank of Commerce, the country's second largest, and the Toronto Dominion Bank moved their prime lending rates to 14.75 per cent, up a full point, but the Mercantile Bank and the Continental Bank followed the Bank of Montreal in raising the rate to 15 per cent.

There was also a split in the key deposit rate on non-chequable savings accounts. Toronto Dominion went up to 12¼ per cent, Bank of Montreal to 12 per cent, CIBC to 12 per cent and Royal to 11¾ per cent. Banking sources said money market conditions would bring about a harmonisation of rates, perhaps within a day. Many see the prime rate stabilising at 15 per cent and the deposit rate at 12¼ per cent.

● The Canadian Government has introduced its promised Freedom of Information legislation, which is expected to pass swiftly through Parliament. The Bill creates a new post of Information Commissioner, who will have as wide access to Government documents as the Prime Minister.

He will be called upon to act whenever a government department, or any of the non-commercial Crown corporations—denies information to a Canadian citizen. After examining the files, the Commissioner will decide whether or not the information is restricted. If he decides not to release the files, the citizen will be able to take his case before the Federal Court.

Areas in which information will be restricted include secret agreements between the Federal Government and the provinces or foreign states; information which might hurt the defence of Canada; information relating to crime detection and law enforcement and personal information concerning specific individuals.

The Act effectively stops disclosure of financial, commercial or technical information, but specifically omits references to terms such as "national security."

Chrysler hopeful that workers will treat it gently

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, the beleaguered U.S. car maker, was hoping yesterday for the first solid promise in a series of pledges essential for its survival in the form of a moderate new pay contract with its labour force.

As a deadline set for completion passed without a settlement yesterday observers remained confident that the settlement would treat Chrysler gently, offering it savings of more than $100m over the three year contract, compared with the contracts negotiated with the other car manufacturers.

A constructive attitude by the workforce has been regarded by the Federal Government as a vital first step in clearing the way for it to announce loan guarantees to enable the company to survive a period of heavy losses and even heavier capital commitments in developing its model ranges for the 1980s.

Strong feelings have also been expressed in a Congressional sub-committee reviewing the Chrysler affair that the Chrysler workers, among the best paid in the U.S., should share some of the financial sacrifice necessary to keep the company going.

It is now clear that the Chrysler saga is moving swiftly to a head with only the banks attitude to a rescue still unclear. It is known that some of the smaller banks involved in the syndicate extending credit to Chrysler and its financial subsidiary have already pulled out, but it is not certain how significant is the disharmony among the bigger banks.

Some banks are known to feel that even with federal loan guarantees, Chrysler's future is far from secure. Others appear to be holding out for a stronger commitment by the company to scaling down its product range.

It does not appear to be in the interest of the banks, however, to prevent a bailing-out operation. Currently over $4bn is outstanding in credit between the banks and Chrysler and Chrysler Financial, although almost half of this credit is provided by foreign banks. Only one group of foreign banks—a Japanese syndicate—has so far said it wants to pull out.

Chrysler supporters are also now confident that the company will be extended additional credit for up to $175m by the state of Michigan, possibly secured by a mortgage on part of the company's property. Other states which stand to suffer from a Chrysler shut-down are considering similar measures.

Two Bills are now almost ready for the Senate and House of Representatives, each seeking to authorise an unspecified amount of aid for Chrysler. The Senate Bill is slightly tougher, ruling out direct grants to the company and suggesting that a quarter of any federal loan guarantees should take the form of an employee stock participation plan.

This last idea, which is becoming increasingly fashionable, is designed to give employees benefit from any future appreciation in Chrysler's stock value, without exposing them to any financial risk.

Carter fund-raiser defects to Kennedy

BY OUR WASHINGTON STAFF

PRESIDENT Jimmy Carter's chief fund-raiser in his successful 1976 election campaign is to be national financial director for Senator Edward Kennedy's bid for the White House next year.

Mr. Morris Dees, an acknowledged expert at political fund-raising, told the Los Angeles Times that while he still had "great respect" for the President, "I'm philosophically more comfortable with Senator Kennedy."

His defection is likely to aid the Kennedy campaign. White House strategists believe that in the complicated business of winning an election, especially operating under the new laws limiting financial contributions to candidates, the Kennedy team, which has not, by and large, been involved in a national election for more than ten years, would know less than the tested Carter apparatus.

Senator Kennedy . . . gains practical help.

Mr. Dees can clearly be expected to fill that practical gap. He was notably successful in the spring of 1976 in keeping the Carter campaign financially afloat when federal funding of candidates was temporarily held up by a court challenge.

هكذا من الأصل

Japan expands its share of world shipbuilding

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

ORDER BOOKS in Japanese shipyards have made a sharp recovery during the summer months and there are growing indications that the country's shipping and shipbuilding industries are set to survive the present depression and expand in the 1980s.

These are the conclusions of two reports published yesterday which show that Japan is increasing its domination of the world's shipbuilding market and is gaining an expanding share of available orders as demand begins to improve.

The Japan Ship Exporters' Association reported that orders booked by its shipyards between April and September more than doubled those received for the same period last year.

At the same time, Lloyd's Shipping Economist estimated that Japanese shipbuilders booked 53 per cent of the world's total new orders between July last year and this August.

In both May and August this year, the percentage rose to around 63 per cent, says the journal. It warned that the country's carefully directed and slimmed-down shipbuilding industry could be "on course for another collision with its rivals in Western Europe."

According to the Japan Ship Exporters' Association, orders were booked in the six months between April and September for 106 ships totalling 2.29m gross tonnes which was more than the total for the whole of the previous 12 months.

By next March, the total for the 1979-80 financial year is expected to rise to 3.5m gross tonnes, against only 1.54m two years ago.

Between April and September this year, tanker orders were the largest in terms of tonnage, accounting for 37 vessels totalling 1.24m gross tons followed by 39 bulk carriers totalling 810,000 gross tons.

Nearly half of the orders were from Hong Kong, while U.S. shipowners totalled 16.2 per cent.

These Japanese figures dwarf orders received by other countries, although, on a much lower scale, UK shipyards' order books have now started to improve.

British Shipbuilders' last official statistics for the six months to June showed that 17 ships totalling 96,000 gross tonnes had been ordered. But in the past eight weeks, it has gained orders for a further 16 ships.

On Japan's shipping industry, Lloyd's Shipping Economist's report says that the fleet now stands at 68.8m dwt, second only to Liberia.

When ships of front companies in countries such as Singapore and Hong Kong are included, the Japanese control extends to a further 15m-20m dwt.

Netherlands car sales 'could fall this year'

By Charles Batchelor

CAR SALES in the Netherlands—composed almost exclusively of imports—could fall this year for the first time in five years, according to Motor Industry Association (RAI) figures.

Sales in the first nine months of 1979 fell 2.4 per cent to 464,495 compared to the same period last year.

Government plans to increase the special purchase tax on cars from next January may result in motorists buying in November and December cars they would otherwise have not bought until next year.

The increase in this tax would lead to a 2 per cent rise in the price of cars costing Fl 10,000-22,000 (£2,400-£5,300) and 5 per cent in the price of more expensive models.

Registration figures show that the decline was particularly strong in August and September.

Sales by BL fell 26 per cent to 12,485. Apart from the recently-introduced Innocenti range, only the Land-Rover and Range-Rover series increased sales.

General Motors regained its position as the top-selling company with 74,856 registrations.

SOUTH AFRICA FORGES LINKS WITH LATIN AMERICA

Search for new markets

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN traders' efforts to lessen their dependence on traditional markets in Europe and North America have prompted a surge of interest in Latin America.

The formation earlier this year of a South Africa-South America Chamber of Economic Relations and the visit of a 13-man trade mission to five South American countries are evidence of the eagerness with which trade between the two areas is being promoted. A Government-sponsored exhibition of South African products in Buenos Aires is planned for next July.

Trade figures reflect this growing interest. Exports to Brazil, consisting mainly of fertiliser and phosphoric acid, totalled Rand 22.8m (£12.8m) in the first three months of 1979, compared to Rand 19.8m (£11m) in January-March 1978. Sales to Chile rose from Rand 0.7m to Rand 4.7m, and to Argentina from Rand 2.5m to Rand 3.7m. Imports from these countries also increased slightly.

In proportion to South Africa's total foreign trade, however, the South American markets are still small. Two-way trade with Brazil, the most valuable trading partner in the region, reached R110m last year, only about 5 per cent of South Africa's trade with Britain.

But the South American links cannot be measured simply in money terms. Mr. Gawie Yssel, chairman of the Chamber of Economic Relations, points out that fears of trade sanctions mean that, "South African exporters are more conscious of threats to their traditional markets now."

Trading with most South American countries has few political worries. Indeed, closer political ties are a major factor behind the export drive. The visit of Mr. John Vorster, the former Prime Minister, to Uruguay and Paraguay in 1976 brought substantial business for South African companies, including the sale of heavy road construction machinery, trucks and wine to Paraguay, and a share in the construction of a fish processing plant in Uruguay.

South Africa provides considerable technical assistance to these countries, and has also started buying sizeable quantities of leather from them.

South America's attraction to South African exporters has been further enhanced by the loss of their valuable Iranian market. AECI, the local affiliate of ICI, now sells in Latin America much of the PVC (polyvinylchloride) previously shipped to Iran. Glass and steel are among the other items which have been diverted to countries such as Chile and Argentina.

South Africa's main exports to Latin America have in the past been capital goods. A local company, Concor Construction, is part of the consortium building the $500m Majes irrigation scheme in Peru. It has opened an office in Buenos Aires.

South African companies are said to be interested in participating in a hydroelectric scheme in Chile, and in several other projects in Bolivia, Argentina, Paraguay and Colombia. GATX-Fuller is at present putting the finishing touches to a cement factory in Uruguay.

A feature of trade over the past year has been the sharp increase in sales of consumer goods. This is attributed to the relaxation of import controls by some of the countries in the region, especially Argentina and Chile. Clothing, textiles, canned fruit and domestic insecticides are among the products for which markets have recently been found.

Shipping services have also improved. Unicorn, a South African-owned line, started a regular service to west coast ports last year, and says that volumes on that route have increased "dramatically."

The biggest growth area in economic links is tourism. Aerolineas Argentinas and South African Airways put on 47 special flights in the first three months of this year to bring over 11,000 tourists across the South Atlantic.

During the first five months of 1979, 13,140 Argentinians visited South Africa, 65 per cent more than in the same period last year. Increasing numbers of Chileans and Uruguayans are also joining the tours.

Dr. Carlos Sosa, Aerolineas Argentinas general manager in Southern Africa, says: "We started from practically nothing in 1976. There has been an explosion in traffic. South Africa is now our fastest growing route."

South Africa's major attraction is cheap shopping. Cameras, radios, clothing and jewellery can be bought in Johannesburg for half the prices charged in Buenos Aires. A three-week trip, with five-star accommodation costs around $2,000, including air fares.

The tourist boom is likely to continue, with some 21,000 holiday-makers from Argentina due to arrive next year. Aerolineas Argentinas has doubled its regular Buenos Aires-Cape Town services, while South African Airways recently introduced wide-bodied aircraft on this route to cater for the fast-rising demand.

Protectionist moves 'will grow'

BY DAVID FREUD

THERE IS likely to be an increase in pressure for protectionism in the coming years, according to an article published today in The World Economy, the journal of the Trade Policy Research Centre.

Mr. Hugh Corbett, London director of the centre, says: "It is possible and probable that in the coming decade upswings in economic performance will be relatively brief, generating inflationary pressure sooner than was the case in the 1960s, and that cyclical downswings will be more prolonged than they were in the same period, reflecting the greater persistence of inflation. What this spells is an increase in protectionist pressures."

For this reason the annual meeting next month of the signatory countries of the General Agreement on Tariffs and Trade (GATT) will be more than usually important.

"It will be the first test, following the Tokyo Round, of multilateral trade negotiations, of the willingness of governments—especially those of the major trading powers—to work together in a concerted way on the further repair of the international economic order."

Mr. Corbett says that a shift from excessive reliance on discretion towards greater reliance on rules is most important in those areas of government which affect international business.

"The declining observance of GATT rules, and the efforts to rewrite them in a manner increasing the scope for administrative discretion, is a threat to economic growth and stability in the established industrialised countries."

AP adds from Geneva: Chile yesterday became the first country formally to sign part of the Tokyo Round multinational trade agreement, negotiated here over six years and initialled last April by the main industrialised states.

The other Tokyo Round participants, including the principals, the U.S., the European Community and Japan, who were the driving force behind the talks, have yet to sign.

While the U.S. is ready to sign, having obtained Congressional approval last summer, the Community still must get formal final consent from the Council of Ministers meeting in Brussels on November 6. Ratification by the Japanese Diet is not expected before the end of this year.

The World Economy, Trade Policy Research Centre, 1, Gough Square, London, EC4A 3DE.

U.S. wheels order for GKN unit

By Lorne Barling

GKN KENT ALLOYS has won two orders worth about £5m to supply aluminium road wheels to the Chrysler Corporation and Ford of the U.S.

The orders are regarded as an important consolidation of the company's presence in the U.S. market, where wheels of this type are becoming increasingly popular since they are light and contribute to fuel economy.

They will be fitted to the 1981 Detomaso version of the current Chrysler Omni/Horizon, the current Ford Thunderbird, and to the 1981 Ford Erica/Pinto, which is part of the new generation of smaller cars for the U.S. market.

The company also regards the order as encouraging since the same companies bought wheels of the same type valued at £4m last year, and it is hoped that this will become a regular export outlet.

Although a small number of U.S. companies manufacture a similar product, European use of lightweight wheels is more common and GKN believes the order was won on price and quality.

Chairman Hua pays visit to German Airbus plant

BY ROGER BOYES IN BONN

CHAIRMAN Hua Guofeng, the Chinese leader, yesterday toured the European Airbus production facilities of Messerschmidt-Boelkow-Blohm (MBB), underlining his country's interest in updating its civil air fleet.

The visit comes shortly after an announcement that an MBB team would visit China to discuss the purchase of the A-300 Airbus. The trip is understood to involve preliminary talks rather than detailed negotiations.

MBB already has broad links with China and has signed an agreement providing for co-operation in the development of television satellites for China. Under the accord, MBB is to manufacture the first three satellites while the Chinese will increasingly take over more of the production.

China is clearly interested in following the same pattern in its aircraft production hnt the pressing need to renew its ageing fleet of Soviet-built Antonovs, and Ilyushins has meant that plans for complete aerospace self-sufficiency have been delayed somewhat.

The MBB trip is the latest of a string of visit from Western aerospace representatives to China this year. Earlier this month, McDonnell Douglas representatives visited Peking. They appeared to be near to a deal which would involve the assembling of the company's latest model, the DC-9 super 80 in Shanghai. The proposed deal also provides for the outright purchase of a number of complete aircraft.

It is expected that a similar sale-and-assembly deal will he discussed by MBB executives in Peking in the talks with machine-building ministry officials.

New advertising outlet

BY DAVID HOUSEGO

A SECOND advertising agancy willing to place advertisements from foreign corporations in Chinese publications and on television has opened in China.

According to Xinhua, the official China news agency, the new company will serve publications and television and radio in Peking and Northern China. Tha first advertising agency to open was in Shanghai.

The Peking agency will also arrange for bill-boards, posters, neon lights, photographs in business centres and theatre advertisements.

Xinhua says that the company has commercial artists, photographers and translators.

Bank of China leads HK loan

HONG KONG — Tha Bank of China is one of three lead managers in a HK$557m (£51m) 10-year loan for China Cement (Hong Kong). The other lead managers are Chase Manhattan Asia and the Hongkong and Shanghai Banking Corporation, with Chase acting as agent.

China Cement is 20 per cent owned by a Peking-controlled company, Kiu Yip Investment Corporation. Kaiser Cement of the U.S. has a 40 per cent stake in the company. The loan is to help finance construction of a HK$1bn cement plant at Tap Shek Kok in the New Territories of Hong Kong.

Renter

India's imports soar 22%

By K. K. Sharma in New Delhi

INDIA'S export earnings fell by 1.35 per cent in August compared to the same month last year. Imports, however, soared by 22 per cent, according to provisional trade figures released by the Ministry of Commerce.

Despite the August performance, exports in the first five months of the financial year. increased by about 18 per cent.

UK NEWS

Fresh evidence in fraud allegation

Financial Times Reporter

NEW EVIDENCE has come to light to support allegations of a "bare-faced fraud" concerning exotic Eastern oils which turned out to be water, a High Court judge was told yesterday.

The fraud is alleged to have netted huge sums of money for an Indonesian supplier of the oils, Mr. Nico Wawruntu, proprietor of Farmaport, based in Djakarta.

Mr. Nicholas Phillips, defending counsel for Orion Insurance, told Mr. Justice Mocatta that the evidence which strengthened the suspicion concerned a change in the method of payment.

This took place between 1975 and 1976—the year when hundreds of drums supposed to contain the oils arrived at European ports, and were found to contain water after being shipped from Tanjun Priok, the port for Djakarta.

Orion Insurance, representing 20 underwriters who refused to meet a claim for the missing cargo, is being sued by the shippers, Fuerst Day Lawson, for $53,851 and £1,934. The overall claim against the insurers amounts to $512,693 plus £17,644.

Mr. Phillips said that it had been the practice for a portion of the price to be met through letters of credit, with the balance being paid against documents which had to be sent to the UK.

But in 1976 Farmaport agreed to forego the fiscal advantages of that arrangement and agreed to the total price being paid by letter of credit in Indonesia.

"There is one obvious reason for that," said Mr. Phillips.

Orion has accused Mr. Waworuntu of organising a "bare-faced fraud" by switching cargoes of oil for water.

The underwriters insured the oils for transit and the court issue is whether the drums contained essential oils at any time after transit started. Orion says that they did not, but Fuerst claim they did and that they are entitled to insurance.

Mr. Phillips told the court yesterday that there was no room at Farmaport's warehouse for all the drums

The case continues today.

State airline set for low fare challenge

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS does not intend to be diverted from "the greatest expansion programme in its history" by the new European low fare route applications made this week by five UK independent airlines.

Public hearings into the independent airlines' bids began before the Civil Aviation Authority in London on Wednesday.

Mr. Roy Watts, chief executive of British Airways, reaffirmed his airline's intention to press head with its £2.4bn re-equipment plans. These include the introduction of more than 40 aircraft in the next 18 months.

Mr. Watts said the airline could offer a product superior to any now offered by the independents, British Caledonian, Laker Airways, Britannia Airways and others.

"British Airways will not stand idly by and see its pioneering work of 30 years eroded by competitors whose long-term presence must be open to doubt.

"I believe the public would be losers if the benefits earned from these achievements were undermined in a souped-up atmosphere of theoretically lower fares, which on even casual inspection impose restrictions greater than those existing today, without offering any worthwhile reduction on the levels that British Airways already offers or has firm plans to offer.

"Fares up to 60 per cent below normal economy return rates already exist between London and almost every city in Europe, and have been pioneered by British Airways often in the teeth of opposition from certain European governments."

Mr. Watts said that British Airways' expansion plan for the 1980s envisaged annual traffic growth of 5-7 per cent. It forecast 10 per cent earlier this year.

The lower rate would still give British Airways a passenger total of about 30m a year by the mid to late 1980s.

The airline's fleet expansion plans would mean that by the late 1980s it would have 43 Lockheed TriStars, 47 Boeing 747 Jumbo jets, 35 Boeing 757s, and 33 short-range Boeing 737s.

British Airways was looking for a new type of short-haul airliner capable of seating between 110 and 120 passengers to replace existing One-Elevens and other aircraft.

The pressures of the stronger pound and the soaring cost of fuel had hit the airline's financial plans for the current year.

There had been no shortage of traffic—passenger business so far this year is up 15 per cent against a forecast of 11 per cent—but the profit outlook was "very far from healthy," Mr. Watts said.

"Even after making some quite sharp cuts in our operations this coming winter to meet our own as well as the Government's requirements for a 5 per cent cut in fuel consumption, our forecast is that after paying all our operating bills, taxes, interest and a dividend to the taxpayer we shall end the year with a surplus on operating account of about £30m

Mr. Gerry Draper, British Airways' commercial operations director, called on the CAA to reject the low fare applications. He said the proposals were "inadequately prepared, inadequately costed, and evidently based on false assumptions to such an extent that no reasonable licensing authority could contemplate granting it."

Britain uses 5.4% more energy but oil deliveries fall by 3%

BY RAY DAFTER, ENERGY EDITOR

BRITAIN'S energy consumption rose by 5.4 per cent in the three months between June and August, in spite of Government pleas for greater conservation.

The country's use of coal jumped by 11.9 per cent in the quarter, as against the corresponding period of last year, while consumption of natural gas and oil rose by 1.2 per cent and 1.8 per cent respectively.

Total energy use during the June-August period reached the equivalent of 71.5m tonnes of coal. However, the Government said that some of the increase was probably due to unusually high levels of stock-building.

Mr. John Moore, Parliamentary Under Secretary at the Energy Department, told an energy conservation conference at the Royal Institute of British Architects that provisional figures, still to be published, indicated that deliveries of oil products in September were 3 per cent down on last year.

"This is indeed encouraging," he said. "Let us all strive to ensure the trend to lower consumption continues."

The Energy Department's latest statistical bulletin, Energy Trends shows that coal stocks at the end of September stood at 28.2m tonnes, an increase of nearly 1m tonnes during the month.

Within this total power station stocks increased by 1.2m tonnes, to over 15.7m tonnes, and National Coal Board stocks fell by 0.2m tonnes to just under 10.8m tonnes.

Total coal consumption in the July-September period rose by 2.4m tonnes, an increase of 9.4 per cent. The bulk of this increase (1.9m tonnes) was due to a rise in the amount of coal burned in power stations.

Stocks of fuel oil at power stations at the end of last month were over 1.5m tonnes, some 500,000 tonnes more than a year ago. The Energy Department said that the increase reflected a drop in the amount of oil burned in power stations together with a stock-building exercise in preparation for the winter demand.

The amount of oil processed by UK refineries during the quarter totalled 24.7m tonnes, a rise of 7.1 per cent.

Gas sales in the second quarter of his year rose by 7.5 per cent to 3.6bn therms. The bulk of this increase was in the domestic, public administration and commercial sectors.

Slater's conscience 'clear' after £225 fine

By James Bartholomew

MR. JIM SLATER, the former chairman and chief executive of Slater Walker Securities, was convicted yesterday on 15 charges of breaking section 54 of the Companies Act. He was fined £15 on each charge.

Mr. Slater said afterwards that the small fines emphasised that the offences were "highly technical" and asked, "How much is the fine for a traffic offence?"

All sides accepted that the offences had been committed for the benefit of Slater Walker Securities and not for his own personal gain, he said. And the acts had been committed with the knowledge of the leading firm of accountants auditing the figures.

His conscience was clear, he said. He believed the Department of Trade had pursued the matter because the law on section 54 was not.

Section 54 prohibits companies from lending money for the purchase of shares in their own equity. The banking arm of Slater Walker lent over £4m to Bion Securities, a company under Mr. Slater's control, to buy shares in Slater Walker between October 1973 and August 1974.

Verdict changed

The magistrates who yesterday found Mr. Slater guilty had found him innocent on the same charges in 1977. They were instructed to change their verdict last March by the divisional court.

The only decision the magistrates had to make yesterday was on the size of the fine.

Mr. John Mathew, QC, for Mr. Slater, asked the magistrates for an absolute discharge or a nominal fine. He said the offences had not been aimed at any of the mischiefs which section 54 was intended to punish.

The shares had been bought by Bion in two purchases. In each case, the idea was to obtain shares to be sold to a potential future partner of Slater Walker. The first one was a well-known public company and the second a European consortium. And far from being to the detriment of Slater Walker's shareholders or creditors, if either had become a partner "the whole of the Slater Walker group might have been saved from its ultimate oblivion," said Mr. Mathew.

The magistrates gave Mr. Slater seven days to pay the total of £225. He also has to pay £750 for the costs of the Department of Trade's appeal.

On his own financial position, Mr. Slater said that he had repaid a loan from Lonrho and was no longer a "minus millionaire." But he still had two major outstanding loans amounting to £750,000, which were due in 1981 and 1982. His net indebtedness was still more than £200,000 after taking into account Strongmead, the property and shareholding company which is his major asset.

Woolwich predicts record mortgage rates next year

BY MICHAEL CASSELL

RECORD mortgage rates throughout next year and further large increases in house prices were among the predictions yesterday by the Woolwich Building Society.

Sir Oliver Chesterton, chairman of the Woolwich, said in London that it now seemed "inevitable" the recommended 12½ per cent mortgage rate, due to take effect in January, would be introduced.

Sir Oliver believed there was little chance of Minimum Lending Rate coming down before the next Budget. The abolition of exchange controls could, he said, postpone any early fall in interest rates generally. The societies would, in any case, need additional funds if they were to finance council house sales.

He commented: "To secure a reasonable flow of funds to support the housing market—and the supply of mortgages is desperately tight—we need to keep our share rate in line with short-term interest rates generally.

"But short-term market rates are still at nearly 14 per cent and our gross share rate is 12½ per cent. So the logic of market forces on the present mood and hopes of no increase in mortgage rates on the other just cannot be reconciled."

Sir Oliver added: "My guess is that over the next year the societies will be unable to recommend a drop in interest rates, even if MLR is reduced.

Sir Oliver also forecast further substantial increases in house prices over the coming year. He said that while there was some evidence to suggest house prices had "gone off the boil" they were still likely to rise by anything up to 20 per cent during 1980.

He pointed out that new house prices had risen on average by 26 per cent in the past 12 months while prices for second-hand properties had increased by an average 31 per cent.

The Woolwich also announced that, as expected, it would soon be charging higher rates of interest for larger loans.

Of the ten largest societies, only the Woolwich has until now applied the same rate of interest irrespective of the size of the loan, but yesterday it said that "strong commercial reasons" had finally prompted it to change its mind.

From January 1, loans over £15,000 would attract an additional ½ per cent loading, with additional ½ per cent premiums added at £5,000 tranches up to and including £25,000.

In the year ending September 30, 1979, Woolwich assets rose by 16.4 per cent to £2.43bn. Mortgage lending totalled £490m against £482m in the previous year while the number of main home loans completed fell from 45,600 to 39,000.

New moves to improve home grants efficiency

FINANCIAL TIMES REPORTER

THE GOVERNMENT will shortly announce moves aimed at raising the effectiveness of the home improvement grant system, Mr. John Stanley, Minister for Housing and Construction, said in London yesterday.

Mr. Stanley, who was presenting the National Home Improvement Council awards to local authorities at a London ceremony, said that the proposals, expected to be contained in the forthcoming Housing Bill, would streamline the existing grant system and also make it more flexible.

He said the Government was considering providing local authorities and housing associations with new powers to buy dilapidated properties for improvement and subsequent resale with some financial help being made available.

Mr. Stanley confirmed the Government's intention to introduce, as part of its "tenants charter," measures putting public and private sector tenants on the same footing as owner occupiers by letting them apply for improvement grants.

He added: "To give further encouragement to public sector tenants to improve, we propose giving authorities the power to reimburse tenants when they move, with the cost of improvements they have paid for themselves."

The Minister emphasised that although plenty of progress had been made in the last 30 years to improve the standard of the existing housing stock, there remained an estimated 750,000 homes without bathrooms and one million without inside lavatories. Improvement of this region, he said, would remain a key element in the Government's housing strategy.

BL plans £1m cruises to launch the Metro

By Kenneth Gooding, Motor Industry Correspondent

BL plans to spend £1m taking its dealers on short luxury cruises to introduce its Mini Metro next year.

Some of the launch plans became known yesterday, illustrating once again the way BL's other problems are being compounded by a steady leak of confidential commercial information.

A BL spokesman said that the potential costs compared favourably with those other car manufacturers are incurring in similar circumstances.

He added: "The importance of this new car warrants substantial expenditure on the launch. We are investing £275m to build the car.

"Using a cruise liner will be cheaper than taking dealers to a foreign country."

At another major car manufacturing group—which a spokesman asked not to be identified—it was suggested last night: "It seems remarkably little to spend on a car as important to BL as the Metro will be. They have just got to make it a success to survive."

'Folly' says MP

It is common practice for motor manufacturers to maintain contact with their dealers through trips which combine business with pleasure. It is also usual for the dealers to share in the cost, as will happen with the Metro launch.

There was predictable reaction to news of the BL scheme last night. Mr. John McWilliam, Labour MP for Blaydon, tabled a Commons question to Industry Secretary Sir Keith Joseph

He said: "BL is proposing to spend my money as a taxpayer to take well-heeled car dealers on luxury cruises. It is a stupendous folly."

● The British consortium which wants to buy the MG sports car business from BL will today formally outline its proposals in a letter to Sir Michael Edwardes the BL chairman.

The plan involves the outright purchase of the MG Abingdon plant, equipment on an "arm's length" basis, and the transfer of the 1,100 employees to a new company to be set up by the consortium.

Mr. Alan Curtis, joint chairman of Aston Martin, one of the companies in the consortium, said yesterday that the 419 BL dealers in the U.S. were worried about the planned shutdown because the MG accounted for about half their turnover. "It is their bread-and-butter business and without it BL could lose half its American dealers."

$2.5m windfall for Manchester

SALEROOM

BY ANTONY THORNCROFT

MANCHESTER is a considerably richer place after the sale yesterday in New York, at Sotheby Parke Bernet, of a painting "The Icebergs" by the American landscape artist Frederic Church.

It was bought by an American collector, bidding by telephone, for $2.5m, making it the third most expensive picture ever bought at auction and the most expensive ever disposed of in the U.S. It was sold by the Social Services Department of the City of Manchester.

Church, generally regarded as the leading American landscape artist, visited the UK just over 100 years ago and achieved some success. This painting was obviously acquired by a northern patron of the arts and ended up gathering dust on the walls of a children's home in Manchester where it was discovered in the summer by a Sotheby's specialist making a routine inspection.

Its value had been overlooked because Church does not feature in the lists of British artists of the period but his signature meant something to the man from Sotheby's. Even so the price was about twice the pre-sale forecast.

sales, contraction and even

In London Sotheby's held a sale of clocks and scientific instruments which totalled £319,618. Top price was the £18,000 paid for a rare and early alarum day and night clock made by John Hilderson of London, probably in the late 1660s. Only four other clocks by Hilderson are known.

● NEWS ANALYSIS—LASMO AND OIL EXPLORATION

Oil companies seek merger

BY RAY DAFTER AND CHRISTINE MOIR

THE PROPOSED merger of London and Scottish Marine Oil (LASMO) and Oil Exploration would bring together two small but successful independent companies which decided to join the risky race of North Sea oil exploration.

Their success arises largely from a common policy to join exploration consortiums headed by much bigger and more experienced oil groups. Their continued presence in the North Sea is a reflection both of the oil discovered and—in LASMO's case—some fairly ingenious financing arrangements.

The fact that LASMO is making the running in the merger talks indicates that it was the first of the two to make a commercial oil discovery, one which is now providing it with revenue to finance expansion.

The find was in the Ninian field, which is one of the biggest in the UK sector with estimated recoverable reserves of 1.2bn barrels. LASMO's present share of this discovery is 7.8 per cent, or about 94m barrels.

Ninian, which lies in blocks 3/3 and 3/8, north east of the Shetland Islands, is yielding oil at a rate of more than 200,000 barrels a day—more than 12 per cent of the total UK oil production.

The field, operated by the U.S.-based oil group Chevron, was discovered in 1974—just a few years after the birth of LASMO's parents: London and Scottish Marine (1971) and Scottish Canadian Oil and Transportation (1970). SCOT became a wholly-owned subsidiary of LASMO in January 1977 at the height of the $3.3bn Ninian development project.

LASMO has a stake in several North Sea concessions including what is thought to be a possible western extension of the still-undeveloped Alwyn Field. Last month the group announced exploration projects in the Philippines and the United Arab Emirates, proclaimed as the first of the companies' proposed overseas ventures.

LASMO said it would be spreading its search for oil while still concentrating its main efforts and resources on the UK continental shelf.

The link with Oil Exploration would broaden the base for such expansion. Oil Exploration, which has been a member of the Phillips exploration consortium in the UK sector of the North Sea since 1964 has yet to enjoy oil revenue from Britain's offshore fields, although it does have a 4.6 per cent stake in the Hewett Gas Field. This interest provided revenue of £2.66bn last year.

More significantly, Oil Exploration has an 8.5 per cent interest in the "T Block"—block 16/17 north east of Aberdeen and close to the UK/Norwegian median line. This concession, operated by Phillips, contains at least three fields: Tiffany, Thelma and Toni: together they contain appreciable oil reserves which are almost certain to be exploited.

The Phillips' consortium, which is in the final phase of reserve evaluation, might well decide to start a development project next year. This would enable some of the oil to be exploited in 1983 or 1984. However, like Ninian, it will be a costly development, probably requiring an investment of more than $1bn.

Like LASMO, Oil Exploration has expanded its interests overseas. In 1976 it acquired Bates Oil Corporation of Delaware, which has oil producing properties in the U.S. mid-continent and an exploration concession in the Netherlands.

Early this month. Oil Exploration said it was having talks about a possible merger but did not suspend its shares then because discussions were still at such an early stage that they might bear no fruit.

On the following day (October 9), its shares had moved up 6p to 482p giving an overall market value for the company of £63m or so. By yesterday, when the shares were suspended at 535p, the value had risen to £69.6m.

By contrast, LASMO's market value—£148m on October 9—had fallen back slightly to £144m.

In market terms, therefore, a combination of the two would produce an oil independent significantly larger than Ultramar which has a current market value of £167m.

The trading fortunes of the two companies are nowhere revealed more clearly than in their pre-tax profit performance for last year compared with prospects for this. In 1978 LASMO was still running losses of £12.4m while Oil Exploration's profits were just ahead of the previous year at £1.6m.

For the current year, oil analysts at stockbrokers Wood Mackenzie are looking for £2.6m from Oil Exploration but a true swing into profits of £23.5m or so from LASMO now the Ninian Field is in production.

LASMO has already produced its first dividend—11.8p—for holders of the special oil production stocks which gave it its first finance. And ordinary shareholders will only have to hold on to the end of next year for their initial rewards.

It is no coincidence that LASMO has picked this moment to build up its position by acquisition. Over the years it has had to take some real gambles to get its development finance—borrowings currently amount to £131.5m—but it has paid off. In particular, its main asset, the share in the Ninian Field, has been preserved.

The absorption of Oil Exploration will not affect this to any degree as Oil Exploration's borrowings of only £2m mean very modest gearing.

But, of course, the merger terms will not reflect the historic performances or gearing of the two companies. The key figures are those the analysts are still working on: LASMO's newer North Sea concessions, particularly in Alwyn Field; and Oil Exploration's potential in Tiffany, Thelma and Toni.

هكذا من الأصل

Cheap U.S. fibre imports force ICI to cut jobs

BY SUE CAMERON, CHEMICALS CORRESPONDENT

CHEAP IMPORTS from the U.S. are forcing Imperial Chemical Industries to further reduce its fibres division workforce. The group bas warned staff that because of "unprecedented ontside market forces" the division faces a choice between employing "a significantly smaller number—or no people at all."

ICI fibres division, which is based at Harrogate with major factoriea at Pontypool, Doncaster, Gloucester and Kilroot in Northern Ireland, employs 10,200 people—7,500 fewer than in 1973 wben a rundown of the workforce was first started.

Mr. John Lister, chairman of the division, told a staff conference earlier this month there was an urgent need to make further big savings throughout the business. This meant there was no alternative to extending and accelerating existing plans to reduce the number of employees.

The workforce was already being cut at the rate of 4 per cent a year. This was being done through natural wastage and there had been no enforced redundancies. But now the pace of the reduction would bave to be increased quickly.

A number of successful measures to improve the division's efficiezcy—including major increases in prodnctivity—had been offset by an "unpredictable series of events in the market place."

Chief of these was the increase in U.S. exports to the European fibres market—particularly the UK. U.S. exports were affecting the volume and the price of ICI's prodncts. They would bave a major impact on the division's 1979 trading results.

Tenfold rise

U.S. fibre producers, faced with a depressed bome market and a weak currency, atarted to increase exports to Europe at the en dof last year. Favourable oil prices in the U.S. enabled them to opearte with raw materials costing abont 33 per cent less than in the UK.

The result was that U.S. exports of polyester filament yarn the the UK were four times bgher this year than in 1978. U.S. exports of texturised polyester yearn had increased tenfold over the same period.

Imports of finished carpets from America were also ten times greater this year than last year and there had been a big rise in the amount of knitted and woven fabrics being imported from the U.S.

Represenattions had been made to the European Commission and to the UK Government to persuade them action was necessary to alleviate the "disruptive effect of American importa" on the domestic market. But progresa had been slow.

The ICI fibres board was therefore reviewing individual sections of the business "to sea bow we could conceotrate our product range into areas least affected by cbeaper imports." It was also considering bow far some of the bigger, loss making products could be cut back to reduce the drain on resources.

Mr. Darryl McGee, personnel director for ICI's fibres section, told the staff conference the division would bave to operate at the best international manning levels if it waa to survive. Tbis would result in the divislon employing fewer people, but he firmly believed the choice was "this or baving no business at all."

Tha staff conference was told buge increases in raw material costs and bigger rises in wage bills than had been experienced in some Continental countries bad contributed to the blunting of the division's competitive edge.

Tbe fibres sectloo ran the risk of becoming completely uncompetitive.

Yesterday ICI refused to say bow big a reduction in the fibres division workforce would be necessary.

JOHN ELLIOTT REPORTS ON CLASHES LIKELY OVER THE INDUSTRY BILL

NEB prepares objections

THE NATIONAL Enterprise Board is likely to delay most of its £100m sale of assets in companies such as Ferranti and ICL until next February or March. It has discovered legal snags which may not be cleared up until the Government's Industry Bill, published earlier this week, has become law.

There is also doubt about wbethar the NEB bas the statutory anthority to hand over the £100m to the Treasury before enactment of the legislation, even if it did dispose of the necessary assets. The Government could compensate for this by holding back the NEB's regular tranches of public funds to balance the value of any salea.

At the same time, Sir Leslie Murphy, cbairman of the NEB, is squaring up for a battle of wills with Sir Kelth Joseph, Industry Secretary, over one particular clause in this week's Bill which he believes will seriously hinder him in negotiating the sort of joint deals with the private sector wbich Sir Keith favours.

The NEB has not yet made a formal detailed response to the Bill, which enlarges on basic policy decisions announced by Sir Keith in July. But it is already clear that the NEB believes Sir Keith is seeking powers of intervention in the affairs of the board's companies, despite the Government's basic oppositioo to Mioisters intervening in industrial affalrs.

The primary points abont the sales is that the NEB's existing statutory dnty is to extend public ownership. The new Bill requires it to "promote the private ownershsip of interests in industrial uodertakings by the disposal of securities and other property. . . ."

Sir Lealie has always objected to the NEB being forced to buy or sall compaoies. He especially objects to Sir Keith's demand first for the £100m sales and then for further sales of compaoies which do not fit into the NEB's limited high technology and small firms' roles, and which are not "lame ducks."

Sir Leslie has argued that the forced sales could mean the NEB would make a loss on its entreprenenrial activities. This would do its image no good and conld make it difficult for it to hire and keep bright staff.

He has also said he would not be prepared to make widespread sales until the Government publishes the NEB's new financial targets and statutory guidelines —expected within the next month.

But now the NEB has gone further and told the Government that its legal advice (obtained with the help of Industry Department civil servants) is that until Parliament cbanges the law, it should sell only assets in companies where it conaiders this to be commercially sensible for the compaoies concerned.

Not surprisingly, Sir Leslie is refusing to spell out wbat this means in particular subsidiaries wbieb are likely to be sold to raiae tbe £100m—ICL, Ferranti, Fairey and Brown Boveri Kent.

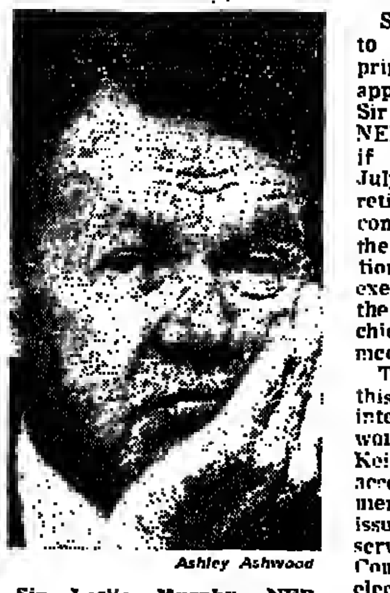
There are no signs of any sales in the next few weeks, although there may be some before the end of the year if commercial conditions are right. It seems unlikely, however, that tbe £100m targat will be raised before the new Bill becomes law.

The main poiot of intervention in NEB affairs which appears to be annoying Sir Leslie is that the Bill enables Sir Keith to direct tbe NEB to sell its companies to the Government, the market in general, or to a specific outside bidder.

Sir Keith haa not spelled out why he wants this power but he bas said that he does not want it to be a problem either in legal or commercial practice.

The NEB believes tbat whatever the law may say, its prospective partners would be deterred from entering into agreements if it were possible for Sir Keith or his successors to intervene and direct them away from the NEB into a new aod possibly unacceptable partnership.

Some NEB associated companies, apparently including Control Data Corporation of tbe U.S., have already contacted tbe NEB about this potential problem.



Ashley Ashwood

Sir Leslie Murphy, NEB chairman: battle ahead.

The NEB also believes that its abillty to make its own commercial decisions is considerably weakened by the provisions in the Bill to cut the size of Investments it can make withoui Government approval. The sum would he cut from £10m to £5m. This would be a blow since the real value of the £10m has heen considerably reduced by inflation since the figure was fixed a couple of years ago.

Sir Leslie is thought to object to a clause which gives the primary responsibility for appoioting a cbief executive to Sir Keith rather than to the NEB. This could be important if there were changes next July, when Sir Leslie might retire at the end of his current contract. The NEB believes the move could blur the functions of policy direction and executive maoagement because the Bill also provides for the chief executive to be a board member.

The Governmeot's response to this allegatioo of excessive interference in NEB affairs would probably he that Sir Keith is iocreasiog the NEB's accountability to his Department and to Parliament, an issue raised by the former Conservative-led Public Accounts Committee before the general election.

Sir Keith might he hoping that some of his more outspoken critics among Conservative backbench MPs, who waot the NEB killed off, may he placated if he has more powers to intervene in the NEB's executive decisions.

Nevertheless the fact that Sir Keith is seeking increased powers of intervention may lead to considerable tensions between the NEB and the Government in the coming weeks, especially if the NEB decides it should not sell major assets before the Bill becomes law.

ITV's best bets to win back viewers

BY ALAN FORREST

RACING THRILLS with Dick Francis, ex-champion jump jockey turned novelist, a six-part series on the micro-chip revolution and a frank documentary abont the fight against alcobolism by Jimmy Greaves, the former soccer star, are among the goodies offered by independent television in its figbtback into the ratings after the 11-week blackout.

Details of schedules for the remaining weeks of this year were released yesterday from London Weekend Televisian's Sonth Bank headquarters—with a firm promise by Mr. Berkeley Smith, chairman of the Network Programme Controllers Gronp: "Definitely no repeats."

The Migbty Micro, to be seen on Mondays, is described by ATV, the makers, as "a programme which explains something crucial to the economic future of Britain." It was made by the late Dr. Christopber Evans, ona of the world's top computer scientists. It replaces World in Action, which has been rested.

The Dick Francis series, on Wednesdays, is called The Racing Game. It was filmed In Yorkshire by Yorksbire TV with action on real racecourses and concerns a private detective wbose speciality is racing investigations.

Football commentator Brian Moore is branching out into documentary—as well as the programme on Greaves. ba will be presenting a profile of Kevin Keegan.

Other plans annonnced inclnde a David Frost "special" which follows Bruce Forsyth's one-man show on Broadway from conception to birth, Freddie Starr's first series, a new saga of the Glum family with Jimmy Edwards recreating bis role on radio's Take It From Here, and Nureyev prodncing and starring in Giselle.

The first television play by James Cameron, top foreign jonrnalist, The Sound of the Guns will be seen on Sunday, November 28. It is set in Cyprus during the troubles of the 1950s.

One of the programmes over which a clond is cast is Search for a Star, "the first ITV talent show since the demise of Opportunity Knocks." Tbe BBC is running a similar sbow, and it seems the format of the two sbows is very similar. LWT explained that the blackont was responsible—its sbow sbonld bave been on the air before the BBC's.

What ITV describes as "returning favourites"—not repeats but new series—include Tbe Mnppets, Bless Me Father, Lingalongamax, the Benny Hill Sbow and Mr. and Mrs.

There were smiling faces all round yesterday—not least in the Rose and Crown opposite LWT'a beadquarters, wbere the landlord admitted that be bad lost a small fortune during the blackont.

Sunday Telegraph cash for Bessell censured

BY LISA WOOD

THE conduct of the Sunday Telegrapb, in making payments to Mr. Peter Bessell, the principal witness in the Jeremy Thorpe committal and trial, was severely censured by the Press Council yesterday.

But the council exonerated several other newspapers which also made payments to other people involved in the alleged conspiracy case.

The Press Council started its investigation into Press conduct immediately after the trial, and noted in particular, remarks made by Mr. Justice Cantley, in his summing up.

The guidelines, called "The Declaration of Principal on the Payment of Witnesses," were drawn up 13 years ago. It recommended to editors that no payment, or offer of payment, should be made by a newspaper to anyone who is expected to be a witness in criminal proceedings already begun, in exchange for a story or information until the proceedings have ended.

The council, in its report published yesterday said it passed the "severest censure on the Sunday Telegraph, for a flagrant breach of the declaration.

It said it condemned tbe newspaper for "reckless disregarde" of the predictable consequences of making a contract with a witness in a current criminal case concerning matters connected with that case in terms bringing financial gain to the witness with further benefits contingent on the outcoma of the proceedinga.

Mr. Peter Bessell, tha former Liberal MP and principal prosecution witness in the Thorpe trial had a £50,000 agreement with the Sunday Telegraph giving them exclusive world rights to a book be was preparing on the Thorpe Affair, which would start serialisation when the criminal proceedings against Mr. Thorpe and his co-defendants, was completed.

The council said the contract was mada after the defendants in the Thorpe case had been charged and before the committal proceedings bad begun.

The council said that Mr. Bessell's role as a witness at the trial and as an anthor were "inextricably linked."

Other newspapers' conduct examined by the council included the Daily Mirror, the Evening News, the Sunday People, the Daily Express, Evening Standard and New Statesman.

It did not comment on an article in the New Statesman, written by two Guardlan reporters, under the heading: Thorpe's trial: How the Jury Saw It. Action against the magazine, for contempt of court, to be taken by tbe Director of Public Prosecutions, is pending.

The council said the "Thorpe Affair" was a legitimate subject for press inquiry and the Press performed a valuable role in informing the public about it.

Rockwell in Scottish talks

ROCKWELL International Corporation and the Scottish Development Agency are holding talks which could lead to the establishment of a £20m microelectronics plant in Scotland during the next 18 months, the agency said.

The agency hopes for an agreement to be reached in the next few months. The negotiations with Rockwell follow two U.S. tours by the agency in recent months to attract invastment to Scotland.

Call for cuts in higher education

By Michael Dixon, Education Correspondent

A CALL for closures of universities and polytechnics was made in London yesterday by Lord Flowers, Rector of the Imperial College of Science and Technology.

"There are a few too many universities in this country, and far too many polytechnics," he said at the college's commemoration day.

"Some of them must go in order that others shall live."

While "deeply regretting" the Government's proposed increases in fees for overseas students, Lord Flowers agreed that public spending cuts were necessary and that universities should take their share of the economies.

But the main task of selecting which parts of the higher education system should survive, lay with the Government and the University Grants Committee, he said.

"If Imperial College is chosen to go, so be it. Even that would be better than that we all sink into the morass of mediocrity."

Consumer body in fuel bill warning

By Our Consumer Affairs Correspondent

MANY PEOPLE are likely to find it difficult to meet their fuel bills this winter as a result of the Government reduction in financial aid for low income groups, the Electricity Consumers' Council said yesterday.

The Council believes there should be an urgent debate on creating a comprehensive fuel allowance "to ensure that the poorest members of the community do not suffer great hardship."

Oilfield plan may save tax

BY BRUCE ANDREWS

NORTH SEA oil companies are studying changes in their methods of financing oilfields which may save them substantial sums in petroleum revenue tax (PRT).

In the next few months, large deals may be concluded for the "turnkey" development of one or more UK oilfields in which the main contractor would be required to finance an entire project up to the completion stage.

This contrasts with the conventional method of North Sea finance in which the field partners meet the costs progressively, using their internal resources or borrowing from the banks.

Fields for which changes from customary financing methods are being discussed include Marathon's Brae and, it is understood, Mobil's Beryl "B." Development plans for both of these fields are now being studied by the Government. The result of these discussions could be the conclusion of substantial deals with a single contractor or consortium.

Amoco has made inquiries about platform equipment for the Northwest Hutton Field, suggesting that they might all be built through one contractor on a single-payment basis.

Shell Expro started the trend by asking companies bidding for North Cormorant Field equipment to give a price for payment on completion. It is believed to be showing a keen interest in the idea that contractors should finance for future developments.

A scheme which is being actively canvassed by at least one bank involves leasing equipment to field partners, to be purchased by them on completion. This would involve establishing a "special purpose vehicle" company to carry the finance.

Oil companies, however, seem nervous of this suggestion. A spokesman for one operator described it as fraught with problems, "a gleam in a banker's eye, no more."

The main reason that financing by contractors is attractive to oil companies is that interest charges, incurred by the contractor, can be rolled in to the final price. The total expenditure, it is hoped, could be increased by 135 per cent for PRT purposes and hence tax liability would then be substantially reduced.

Until recently, this would have been of marginal concern to the oil companies, because interest rates were lower and because those who borrowed to purchase British-built equipment enjoyed the benefit of the interest relief grant. This has now been abolished at the behest of the EEC.

But now "everybody is looking at these ideas," a banker said. In addition to possible tax advantages an attraction is that loans are kept off the licensees' balance sheets until completion. At this stage a non-recourse loan secured on production can be arranged, possibly on better terms than if negotiated at the start of development.

The method could be particularly attractive in the case of the Brae Field where financing in the usual way, might be excessively complicated, because there are nine partners of different financial standing, and because, at this stage, bankers consider Brae's geological risk to be unusually high.

There is a further attraction. "Oil companies are disgusted with cost over-runs," said another banker. "They feel that the contracting industry, after 10 years' North Sea experience behind it, should now be ready to quote on a fixed price basis, and to share the burden if things go wrong."

But the bankers, although they are promoting these ideas, have mixed feelings. On the one hand they relish any sound lending transaction and encourage good risks to look to the loan market rather than use their own resources.

On the other hand, they are dubious about the strength of most contractors to carry loans which might run into hundreds of millions of pounds.

Other problems are that the proposals suggest that fixed interest will be needed, difficult to obtain for a term of more than a year or two, and that the tax authorities may not be convinced that the transactions contain no interest element on the part of the field licensees.

"It's a terrible world when business decisions have to be made on the grounds of tax regulations rather than project economics," said one banker.

The contractors dislike the concept. But those who need the work may be driven to accept it. British contractors point out that the trend will favour foreign companies which will normally have little difficulty in obtaining export finance.

Regions narrow prosperity gap

A STEADY improvement in social and individual wealth throughout the UK in the past decade is recorded in an analysis published yesterday by the Centre for the Study of Public Policy at Strathclyde University, Glasgow.

The authors — Dr. Ian McAllistair, Mr. Richard Parry and Professor Richard Rose — conclude that the English are in general the most prosperous, but their neighbours are catching up—and Scots on average have the highest weekly wage.

"We may not be feeling happier or more prosperous, but the social conditions of people throughout the United Kingdom have risen significantly in the past decade," say the authors.

They found that since 1951:

1. People throughout the UK have seen health, housing and education improve.
2. The average weekly wage has risen, even allowing for inflation.
3. More people own cars, telephones and central heating.
4. The Government spends more money providing collective benefits of the Welfare State: education, health service and pensions.
5. The nation has more wealth as measured by the gross domestic product per head.

England is top of the UK for prosperity, with Northern Ireland bottom and Scots and Welsh falling in between.

But the difference is narrowing. Not only have housing, health and earnings improved in Scotland, Wales and Northern Ireland, they have tended to catch up and in some cases surpass the basic UK standard set by England.

England, however, still enjoys the most wealth, the most employment and is the most middle-class part of the UK, the report says. English people can also expect to live longer, and to have houses of the highest quality.

The one measure on which England ranks bottom is that its people receive the smallest proportion of public expenditure.

Scots on average have the highest weekly wage, the largest proportion of people with further education and the fewest immigrants. But they are least likely to own their own home or to have a car, and Scotland also has the lowest proportion of middle-class residents.

More Welsh people own their own homes and own a car than anywhere else in the UK. They are also healthier and fewer children die as infants. Young Welsh are keen on education, for more stay on at school today than anywhere else.

The people of Northern Ireland are top only in the amount the British Government spends on each resident, currently £350 per head more each than in the UK on average.

Large wage rise claimed for 1.1m council workers

BY PHILIP BASSETT AND JASON CRISP

LEADERS of 1.1m local authority manual workers yesterday made a claim for substantial pay increases as the leader of one of the unions involved warned that the Government could face a repetition of last winter's industrial action if it tried to hold down public service wage rises.

Mr. Alan Fisher, general secretary of the National Union of Public Employees, which made much of the running in last winter's public service disputes, said public service workers would not accept less than the "going rate" of 17½ per cent, which would be the "centre and core" of pay claims.

Speaking to managers at the Institute of Personnel Management's annual conference at Harrogate, Mr. Fisher said that public service workers were not prepared to see others take a greater slice of the available cake.

"We cannot be expected to behave differently, with more responsibility and in a way which is more acceptable to the public than the public is prepared to behave itself."

The borders between wage rounds were becoming increasingly blurred because of delayed or comparability-based settlements, and the expectation of those due for autumn settlements, including public service workers, would be conditioned by those groups which had most recently settled—including the likely pace-setter of the power workers' 23 per cent agreement.

Mr. Fisher's reference to the 17½ per cent increase in the retail price index forecast by the Government was taken up by negotiators for 1.1m public service workers when they presented their annual pay claim yesterday.

Unionleaders said they were talking about increases related to that figure and to the level of estimated necessary to maintain the value of the awards of the Clegg Commission. The commission gave comparability increases of 2.7 and 25.8 per cent.

As expected, no firm figure was put on the claim, which calls for "substantial" increases on the rates established by Clegg, a reduction in hours to a 35-hour week, four weeks' minimum holidays, a review of service supplements and an increase in shift, split duty and other payments.

The unions also said they intended to reopen negotiations on any settlement to protect their members against further rises in inflation.

The employers made no formal response to the claim, though with the Government set to impose tight cash limits on local government spending officials recognise that meeting the claim would lead to rate rises.

Mr. Brian Rusbridge, secretary of the Local Authorities' Conditions of Service Advisory Board, said that though they did not yet know what the cash limits would be, employers were "acutely conscious" of what money was likely to be available.

The employers agreed yesterday, though, to backdate any settlement to the due date of November 5, which officials considered a significant concession.

No further meeting is set between the two sides until after November 20, when the Government is to announce the level of the Rate Support Grant for next year.

A similar claim is expected to be drawn up today by the unions for 20,000 hospital ancillary workers.

Seamen's campaign against flags of convenience 'legal'

THE LEGALITY of a "guerrilla campaign" by the International Transport Workers' Federation against ships which fly flags of convenience was upheld by the House of Lords yesterday.

Lord Diplock said that if a demand on an employer was about terms and conditions of employment, the fact that it would bankrupt him, or drive him out of business, did not prevent it being a "trade dispute" in which a union had immunity under the Trade Union and Labour Relations Act.

"Immunity under the law is not forfeited by being stubborn or pig-headed," said Lord Diplock. Nor did it matter if the dispute was pursued with more than one object in mind, or that the improvement of employees' terms and conditions was not the ITF's predominant object.

The Law Lords were giving their reasons for dismissing in July an appeal for NWL of Hong Kong against a refusal to grant temporary court orders against three ITF officials to stop blacking NWL's 123,000-ton bulk carrier Nawala.

Lord Diplock said that the ITF's ultimate aim was to abolish the use of flags of convenience throughout the world. NWL had argued that the ITF campaign was "political" and not a legitimate trade dispute in which the union could claim legal immunity.

But, said Lord Diplock, even if the ITF's predominant object was "to bring down the fabric of the present economic system by raising wages to unrealistic levels," or to drive Asian seamen from the seas, except when they served in ships owned by nationals of their own countries, it would not make it any less a trade dispute if the actual demand was about the terms and conditions on which workers were to be employed.

"It would be carrying judicial anchoritism too far to feign ignorance of the fact that, apart from fiscal advantages, one of the main commercial attractions of registering vessels under flags of convenience is that it facilitates the use of cheap labour to man them," said Lord Diplock.

● Tyneside immigration authorities were yesterday making arrangements to repatriate 26 Asian seamen left on the quayside at North Shields when their ship, the 14,000 ton Saudi Crown, sailed for Germany.

When the crew arrived in the Tyne, they contacted the ITWF inspector saying they were being underpaid and did not wish to sail in the Saudi Crown again.

Blackmail charges against union urged

BY OUR LABOUR EDITOR

THE DIRECTOR of Public Prosecutions has been urged by a pressure group, the Freedom Association, to consider bringing criminal proceedings against the print union SLADE.

A spokesman for the Association claimed yesterday that SLADE's recruiting activities — highlighted in a Government commissioned report published last week — provided sufficient grounds for instituting blackmail charges against union officials.

But the Association's move seems unlikely to get much further. The DPP confirmed last night it had received a letter, but pointed out that the Director could not begin to consider a prosecution in the absence of a police report.

On Wednesday the Department of Employment published plans for changing the civil law to make coercive recruitment by trade unions illegal. The Government has accepted that SLADE was acting within the present law.

Mr. Herbert Jones, a St. Albans, Hertfordshire, solicitor connected with the Freedom Association, said yesterday it was his idea to test the water on a criminal charge. He had drafted that case sent to the DPP.

He said those who had been "dragooned into the union" against their will could have their membership of SLADE declared void if a criminal charge was successful.

The Freedom Association—formerly known as the National Association for Freedom—specialises in giving legal advice and bringing test cases, often against trade unions.

● Jason Crisp adds: Lord Gowrie, a junior Employment Minister, told the Institute of Personnel Management conference in Harrogate yesterday:

"We want a few sensible changes to industrial relations law, changes that we believe are sufficiently limited to stick. We want them in order to give industrial relations a better balance.

"This is what our proposals for industrial relations reform—and they are still only proposals for discussion—are designed to

Te added the Government did not propose any extension of the criminal law in this area, "though there are many people who would like us to do so."

That would create new sources of conflict on the picket line and altogether change the conduct of industrial relations.

"We are not proposing to outlaw the closed shop altogether. I do not like it. I find it distasteful on libertarian grounds. But I do recognise the historical circumstances which gave rise to it.

Teachers seek 37% pay award

By Gareth Griffiths

THE teaching unions have told the Clegg Commission on pay comparability that their mem- members need on average pay increases of 38.7 per cent to restore their incomes to levels set by the Houghton awards in 1974.

The teachers' panel of the Burnham Committee, in its evidence published today, argues that the 1974 awards represented a correct assessment of salaries for teachers

The unions involved are the National Union of Teachers, the Assistant Masters and Mistresses Association, the National Association of Schoolmasters and the Union of Women Teachers, the Secondary Heads Association, the National Association of Head Teachers and the National Association of Teachers in Further and Higher Education. They say that pay policy has hit teachers more than other groups because of the absence of fringe benefits.

The Clegg Commission is due to make an award by the end of the year. It will be paid half in January and half in September, 1980. An extra payment of £6 a month on account of the Clegg award was included in the May settlement this year.

Arbitration Committee overstepped powers

THE CENTRAL Arbitration Committee went beyond its legal "sex equality" powers when it rewrote the wages book at a Welsh factory by substituting a new "unisex" pay structure, three High Court judges ruled yesterday.

Lord Widgery, the Lord Chief Justice, said under the 1970 Equal Pay Act, the Committee could only act where a firm's collective agreement on wages and conditions of work contained "specific" discriminatory men-only or women-only provisions.

And reference to the CAC had to be made either by a party to that agreement — employers or individual workers—or by the Secretary of State for Employment, he said. But the case of about 60 women clerical workers at Hymac, the hydraulic machinery manufacturer at Rhymney, Gwent, had been taken up by APEX, the Association of Professional, Executive, Clerical and Computer Staff, which is not a party to the agreement.

The Committee had no legal powers to deal with the Hymac dispute, said Lord Widgery, and they had no right to amend the company's pay structure, which did not contain discriminatory provisions.

Lord Widgery, Lord Justice Browne and Mr. Justice Watkins granted the employers an order quashing the CAC decision last January to amend the pay rates.

The union was ordered to pay the costs of the case.

Counsel for Hymac, Mr. Jeffrey Burke, had argued the CAC had sat in arbitration on a pay dispute and were not entitled to do so.

There had been no sex discrimination at the factory. The fact that there may have been more women than men in the low-paid jobs was merely "unfortunate."

Hospital strike off

THE NATIONAL Union of Public Employees yesterday called off its strike at the Royal London Homoeopathic Hospital and agreed a new disputes procedure after three days of talks held under the auspices of the Advisory, Conciliation and Arbitration Service.

The South Camden District Health Authority has agreed to reinstate 14 porters who were sacked on Monday and to look at a suspension with pay agreement with the union. Both sides will co-operate on an inquiry about the events that led up to the week-long dispute—a row over a late-night party.

Portering, catering and cleaning staff who have been on strike were told by union officials to return to work at 1.00 pm today. The hospital had restricted admissions and cancelled operations.

هكذا من الأصل

UK NEWS—PARLIAMENT and POLITICS

Ashley Ashwood

Mrs. Margaret Thatcher opened a Young People's Parliament at London's County Hall yesterday. One Young Parliamentarian (left) asserted his democratic right to heckle the Prime Minister—and was thrown out for his trouble. But Clement Freud, acting as Speaker, ruled that he could go to the evening disco. The two-day event is sponsored by the UK Association for the International Year of the Child.

MPs scorn N. Ireland talks

BY JOHN HUNT

THE GOVERNMENT proposal to call a conference of the political parties in Northern Ireland received a sceptical and, in some cases, hostile response from MPs on both sides of the Commons yesterday.

Mr. James Molyneaux, leader of the Official Ulster Unionists, flatly declared that his party would "never engage in time-wasting exercises and window-dressing of this type."

He added that the Ulster Unionists would carefully consider any proposals to give effect to the Tory manifesto commitment to establish one or more elected regional councils in Ulster with a wide range of powers over local services.

But, despite the cool reaction, Mr. Humphrey Atkins, the Northern Ireland Secretary, doggedly stuck to his argument.

The talks, he maintained, were the best way to proceed in hope that they would produce a formula for handing back to locally elected representatives some of the powers now exercised directly from Westminster.

Repeatedly, he emphasised that the political parties in Ulster had said that this was what they wanted.

Mr. Peter Robinson (DUP, Belfast E.) asked whether he would consider putting to a referendum any proposal that might come out of the talks.

Mr. Atkins replied: "This is a matter we can consider. I don't in any way rule it out. If it seems necessary to judge popular support for it, we will consider it, of course."

Nevertheless, he insisted that the final decision on the devolving of powers must be taken by Westminster.

There was no question, he said, of inviting the Sinn Fein or the Dublin Government to take part.

Participants would be the Democratic Unionist Party, the Ulster Unionist Party, the Official Ulster Unionist Party, the Social Democratic and Labour Party, and the Alliance Party.

Labour's Ulster spokesman, Mr. Brynmor John, said his party felt that the time had arrived for decisions rather than discussions. He warned Mr. Atkins that the inherent delay in decisions until the new year would provide an interregnum "fraught with danger."

The Rev. Ian Paisley, (DUP Antrim N.) suggested there should be an elected conference where representatives could come with a clear mandate.

Mr. Gerald Fitt (SDLP, Belfast W) objected that the local authorities in Northern Ireland had been largely responsible for the onset of the present problems.

"The minority population of Northern Ireland are very suspicious about talks under any circumstances to restore power to local authorities," he said.

Mr. Fitt wanted to know why Mr. Atkins was so confident that there was widespread support for the proposed measures.

Mr. Atkins retorted: "I believe there is hope—for two reasons." [illegible] party had fought the last election on the basis that they wanted to see political advance in the pro[illegible] widespread belief that any advance meant that people in Ulster should respect the views of those who did not agree with them.

Dr. Brian Mawhinney (C Peterborough) said many people would be disappointed at the Government's statement. An increasing number believed that successive Governments were determined to have talks and talks about talks.

Successive Governments seemed to have given vetoes to Northern Ireland politicians—who were not the most flexible people.

The exchanges concluded with Mr. David Winnick (Lab. Walsall North) gloomily observing that, judging by the tone of the questions in the House, the chance of success for the talks was not very high.

Euro-bugs making a beeline for Britain

By John Hunt

AFTER THE [illegible] pace of Government announcements throughout the week, a casual visitor dropping into the Commons yesterday would have been somewhat bewildered by the main item of business.

In the most alarming terms, Mr. Jerry Wiggin, Parliamentary Secretary Agriculture, appeared to be unmasking a plot whereby some sinister forces were preparing to infiltrate Britain.

"It involves few numbers. They are tiny crab-like creatures. Two of them fit onto the head of a pin. Early detection is very difficult," he explained earnestly. Once these creatures had sunk their talons into an unsuspecting host body "there is no known cure."

A description perhaps of those tireless, borrowing Left-wingers who, according to some accounts, are now on their way to taking over the Labour Party? But no.

Mr. Wiggin was referring the parasitic mite Varroa Jacobsoni which have settled on the bee population of Germany. It is feared they may move across France and the English Channel.

The House was considering the Bees Bill which proposes that bees can be imported only under licence.

Warily observing that the contents of the legislation were bound to give rise to some merriment, Mr. Wiggin frowned heavily.

Conjuring up the spirit of 1940 he declared: "If Varroa spreads to France, one of our main suppliers of bees, we still have the English Channel to protect us."

Not to be put off by the slender subject matter, Mr. Gavin Strang, a Labour agricultural spokesman, managed to drag in Common Market politics.

He pointed out that under the Treaty of Rome, bees were classed as animals and this meant that Britain was free to stop their importation on medical grounds.

Some Tory MPs, although favouring the Bill, seemed vaguely worried that it came dangerously close to being an example of Government interference in the free market.

But their fears were unfounded. A paragraph in the legislation stated categorically: "The Bill will not increase public expenditure or affect public service manpower requirements."

The Government's ideological purity was still intact.

Thatcher ready for battle at Dublin summit

BY IVOR OWEN

IN RESOLUTE mood, the Prime Minister assured the Commons yesterday that she remains as determined as ever to secure progress at next month's EEC summit in Dublin in reducing Britain's net payment to the Community budget.

After describing the present contribution and that planned for next year as "absolutely intolerable," she declared: "I trust I shall be successful in negotiating a corrective mechanism in Dublin."

Mrs. Thatcher rejected a charge by Mr. David Stoddart (Lab. Swindon) that she had blown hot and cold on the issue and had finally opted for a "soft" line, despite her initial tough talk.

He called on her to make it clear to the other EEC Heads of Government that until a fair deal was agreed Britain's contribution to the EEC Budget would be withheld.

The Prime Minister retorted: "I am not aware that I have ever talked softly about this. Battle is to be joined at Dublin."

Amid Tory cheers, she added: "What general would reveal his tactics before the battle has ever begun?"

Mr. James Callaghan, the Opposition leader, recalled that when former Labour Ministers first protested about the unfairness of Britain's contribution to the EEC Budget, Mrs. Thatcher and other Tory MPs told them that if only they would be good Europeans all would be well.

It was entirely different situation now and the Prime Minister would be going to Dublin with the full support of a united House of Commons which wanted to see a successful conclusion to the negotiations.

Mrs. Thatcher denied that Government policies, including the ending of exchange controls, would have the effect of adding to unemployment through industrial development being concentrated in the so-called "golden triangle" of the EEC.

She reiterated her view that the biggest threat to jobs lay in extravagant pay claims which were not warranted by increased productivity.

Mrs. Thatcher again warned that pay claims which went beyond productivity could be met only at the expense of others, including old age pensioners, unable to use "industrial muscle" on the same scale.

● Labour elation over Wednesday night's defeat of Government plans to free domestic paraffin from price control looked short-lived at Westminster yesterday. Mr. Alfred Dubs (Lab., Battersea S.) asked Mrs. Thatcher about the voting mix-up while she was answering questions.

The Prime Minister gave the quick answer: "Those who got us into this mess must get us out of it."

Later, her business manager, Leader of the House Norman St. John-Stevas, said a new order would be introduced next week to put things straight.

Benefits scheme to be simplified

By Paul Taylor

A GOVERNMENT Bill to be published next month will include provisions for simplifying the supplementary benefits scheme and may also propose the scrapping of the Supplementary Benefits Commission.

The Bill will represent the Government's as-yet-unpublished response to a major review of the supplementary benefits scheme prepared by Department of Health and Social Security officials and published last year.

The central conclusion of that review was that the supplementary benefits scheme was too complicated and should be simplified—a view shared by the Commission responsible for administering the scheme.

However, the Bill is also expected to bring together Government policy on a range of other issues including its desire to reduce civil service manpower costs and cut back on the number of Quangos—quasi autonomous national governmental organisations—within the framework of reducing or containing public expenditure in real terms.

The section of the Bill dealing with the review of the scheme is understood to be being drafted on the principle of no additional costs and on the basis that one of the most effective ways to simplify the present system is by reducing the number of discretionary payments.

Such a move—which would be welcomed by the Commission providing supplementary benefit rates were increased at the same time—could also provide the justification for abolishing the Commission itself.

Details of the Government's approach to simplifying the scheme—which paid out about £2.2bn to more than 5m claimants last year—have yet to be revealed.

However, discretionary payments are seen to be the key to any simplification because of their proliferation in recent years.

The need to "fine-tune" a scheme to the sepecific needs of the growing numbers of people who depend on supplementary benefits has led to the much wider use of discretionary powers.

The result has been that by the end of November 1978, 57 per cent of all claimants—including about 72 per cent of pensioners — were receiving weekly additions to their benefit to meet "exceptional circumstances" mainly in respect of heating and diet costs. In 1967 only 23 per cent of claimants had weekly additions of this type.

Demands for jury debate

STRONG DEMANDS for an early debate on "jury-vetting" were made yesterday by Labour MPs.

They claimed that the country's legal system—and particularly the jury system—could be brought into disrepute unless there was early action.

Mr. Robert Kilroy-Silk (Ormskirk) said: "It would not be at all surprising if potential jurors subjected to the threat of being snooped upon by police or private detectives refused to serve on juries."

UNION TIMETABLE: The Government's promised plans for trade union legislation will be unveiled before Christmas, MPs were told yesterday.

Norman St. John-Stevas, Leader of the Commons, answering questions on Commons business, told Labour MPs that a Bill would be produced before the House rises for the Christmas holiday.

SCRUMPY PERIL: Devon's Tory Euro-MP, Lord O'Hagan, warned the European Parliament yesterday that if the EEC goes ahead with a tax on farmhouse cider there will be "the biggest uprising in the West Country since the Monmouth Rebellion."

Council spending under scrutiny

BY PAUL TAYLOR

THE GOVERNMENT is to introduce legislation forcing local authorities to provide ratepayers with detailed information on the costs and standards of council services.

Details of the plans—first announced last month by Mr. Michael Heseltine, Environment Secretary—to make local authorities more accountable to their electors are contained in a consultation paper published yesterday.

The proposals reflect the Government's concern about increasing rates and the growth in local authority manpower. Following consultations with the local authority associations, powers are to be sought in the forthcoming Local Government, Planning and Land Bill to enable the Secretary of State to order local councils to provide ratepayers with detailed financial and other information.

The consultation paper suggests that local authorities should be required to publish details of:

● Unit costs—showing the cost of providing a specific service.

● Income and expenditure—explaining how rating and spending decisions are taken.

● Manpower statistics, performance indicators—showing quality and level of services.

The Government also suggests that local authorities should publish a "statement of stewardship" in which individual councils would be able to comment on performance during the previous year, explain differences between budget proposals and expenditure and report on significant changes in local services.

The Government accepts that some local authorities already publish information of this kind but the consultation paper says there is a need for a "uniform approach" allowing comparisons between local authorities.

It suggests that because local authorities are already required to include some financial information with the rate demand note, the rate demand note or a separate leaflet with the rate demand might be the best way to provide the ratepayer with most of the information.

However, the Government suggests that because of the need for close monitoring of manpower statistics these should be published perhaps quarterly and that to make direct comparisons between councils easier some information should be published centrally.

Publication of Financial and Other Information by Local Authorities: A Consultation Document by the Department of the Environment.

Plaid to set up TV fund

By Robin Reeves, Welsh Correspondent

THE WELSH Nationalist Party, Plaid Cymru, is planning to set up a special fund to receive television licence fees, withheld in protest at the Government's decision to abandon its commitment to create a Welsh language television channel.

Under the scheme, which has to be endorsed by the party's annual conference which opened in Llandudno yesterday, the licence fees would be retained in the fund until the Government fulfilled its manifesto and Queen's Speech promise.

This was to devote the fourth channel in Wales primarily to a Welsh language service run jointly by the BBC and HTV.

Mr. Gwynfor Evans, Plaid's president, said the party felt obliged to urge its members to adopt unconstitutional action in this instance because of the Government's "totally cynical disregard" of six official reports in favour of, and its own solemn commitments to, a Welsh channel.

Mr. Evans recognised that many people would not be in a position to join the television licence campaign and risk eventual imprisonment for non-payment, but he believed there would be a sufficient response to make the Government change its mind.

Business next week

COMMONS

Monday: Debate on Royal Commission Report on Gambling. EEC Documents on oil purchases, energy and coal.

Tuesday: Second reading of the European Communities (Greek Accession) Bill. Opposed Private Business. Ministry of Overseas Development (Dissolution) Order.

Wednesday: Procedure debate. Motion on Family Income Supplement.

Thursday: Shipbuilding Bill, second reading. EEC International Wheat Agreement Order.

Friday: London debate.

LORDS

Tuesday: Legal Aid (Financial Conditions) regulations. Gaming (Amendment) Bill: Committee. Criminal Injuries Compensation Bill. Fruiting Plum Tree (Planting Grants) scheme. Plum Material and Clearance Grants scheme. European Communities (Definition of Treaties) (International Wheat Agreement) Order. Debate on drug use.

Wednesday: Debate on problems caused by alcohol. Debate on museums and galleries report.

Thursday: Law Reform (Miscellaneous Provisions) Bill: third reading. Insurance Companies Bill: second reading. Tax, Consumer Credit and Judicature order. Administration of Estates (NI) order. Industrial Assurance (NI) order. Statutory Rules (NI) order. Administrative Assembly debate.

Luxury is built in, not bolted on.

Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé.

Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost)

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £794. SALOON £9,711. COUPÉ £10,069. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SERVICES

Push button tyre pressure check

IF A device developed by Forecourt Automation becomes widely installed in filling stations, it will be possible for the motorist to pump up his tyres to an accuracy of a few tenths of a pound per square inch, in a few seconds.

The unit, which can be fixed to a wall and is about the size of a gallon oil can, requires only connection to a compressor, a mains supply and some outlet hoses for the motorist to use.

All the user sees on the front panel is a group of touch sensitive buttons and an illuminated display. Four buttons are marked 10, 20, 30 and 40 with others covering the digits one to nine. Thus, only two buttons need to be pressed to get any pressure up to 49 lb/sq inch, the number showing immediately on the display.

When the motorist has connected the air line the rest of the process is automatic. The system first raises the tyre pressure to two or three psi above the target keyed in by the user on the front panel, and then releases air by a pulsing method until the target is reached.

Inlet and outlet valves, a pressure measuring transducer and an electronic comparator are used to achieve the keyed pressure. Air is either released or added with two-second stabilising and comparison intervals until the target is reached.

It is claimed that the pressure accuracy achieved is one order better than is possible with most commonly used tyre pressure measuring devices.

When the user selects the pressure with the buttons he hears a tone telling him the data has been accepted and sees the pressure on the display. If he has miskeyed he can start again.

The company sees a considerable world-wide market for the system estimating that there are some 900,000 airlines in use worldwide.

Motorists should certainly welcome it since they can leave a garage forecourt with the knowledge that their tyres are as accurately inflated as possible—not always the case at the moment.

It is also estimated by the company that if the world's motor cars ran with precise tyre pressures at all times, some 3.5m gallons a day of petrol could be saved.

The new equipment needs very little maintenance and is fitted with filters at air input and output to prevent the passage of dirt or water in either direction.

It is also very robustly built, being housed in a tough glass fibre case and having no external projecting controls that can be damaged or vandalised.

Sales will mainly be through appropriate trade distributors and delivery of the units from the factory in Launceston will be about three months when production gets under way.

More from Forecourt Automation, Pennygillam Industrial Estate, Launceston, Cornwall (0566 2774).

GEOFFREY CHARLISH

● DATA PROCESSING

Effect of micros on jobs

THE IDEA that microcomputers—or any other kind of computer—will be a direct cause of unemployment is basically wrong according to Herb Grosch, U.S. international computing consultant who presented some views of the industry at a luncheon to mark the tenth anniversary of Master Services, Wilmslow, earlier this week.

He said that in the U.S. he had yet to come across anyone out of a job who had claimed it was due to the micro. The same fears had arisen in the early days of mainframes and minis and "had proved unfounded." He admitted, however, that below a certain growth rate of a country's economy, his theory might break down.

Dr. Grosch, who can claim 30 years' experience and association with the UK industry, also once again transmitted the message—surely grasped by most of the industry by now—that the key to the future lies in software.

"A heap of chips and optical fibres solves nothing," he said. He believes that all that is happening is that bit manipulation and communications are getting cheaper and cheaper, while their incorporation into the required systems gets tougher and tougher since everyone wanted to talk to machines in plain English. The software segment in cost terms already had reached 80 per cent of the total and he could see nothing to stop it exceeding the nineties in a few years.

The dream of most computer scientists was still to break down the human/machine language barrier: he warned however, that this utopia was not just around the corner because the rate of hardware advance seemed very unlikely to be matched by commensurate advances in software.

His explanation of this was startling and perhaps a little bitter—that people with the right qualities were not forthcoming. And if they did show up, they were most unlikely nowadays "to get through to the guy running the shop."

"People don't have to fight their way into the industry as in the 1950s," he said. Fifty pages of job advertisements in the trade Press said "work for me" and discovering genius had become a difficult proposition.

The industry has been "over-promising" according to Grosch, based on high expectations from software.

He seemed to feel that the deed might well not match the promise.

Powerful local processor

DIRECTED largely at the same market as the IBM 8100 is Computer Automation's SyFA Junior data acquisition and processing equipment which is intended to allow relatively small data processing users to set up their own networks at low cost.

For all that, the new machine is a powerful unit in its own right since it can work with as many as eight keyboard and display information stations, in this instance, being equipped with 128 kilobytes of main memory and four disc drives of 32 Megabytes each.

Many computer users are planning to extend their installations by connecting them to new equipment set up in major factories or branches many miles away from the central offices or the main computer installation.

The intention is to process most of the information arising locally to the point where the slave machine is supporting most of the essential functions of management there—but is, at the same time, extracting and transmitting to the central unit that data senior management requires to carry out its overall controlling operation.

Computer Automation is aiming for a large slice of this market, but is also presenting this new machine and its larger companions as computers which can operate as an independent unit for a commercial environment with no need for a central supervisory main unit.

Basic machine price is £22,900 for which users get a processor with 64 kilobytes of memory, 32 Megabytes of fixed/removable disc store, two information stations and a 150 characters per second dot matrix printer.

Equipment for Europe is being made at the company's Dublin plant.

CA is at Hertford House, Rickmansworth WD3 2XD. 09237 71211.

● HANDLING

Fork lift has a winch

ANOTHER ROLE has been found for the Boughton Group series 2H winches. They can now be fitted to fork lift trucks.

One of the first installations has been on a Sanderson rough terrain truck for the Electricity Supply Board in Eire.

The Boughton winch supplies the 10-ton pulling capacity which is required for the erection of power transmission lines.

Special brackets were designed to fit the unit to the four-wheel drive forklift and the weight of the 2H hydraulically operated single drum winch made it possible to dispense with several of the conventional counterweights. Boughton produces both hydraulic and mechanical winches at its Bell Lane, Amersham, Bucks., works.

● PROCESSING

Cleans engine blocks

IN RETURN for a stake in Elan Pressure Clean and representation on the company's Board, Midland Montagu Industrial Finance is to provide money for the development of an automatic, high-pressure engineering component cleaning plant.

A prototype of this equipment is expected soon to be incorporated in the BL production line at Longbridge where it will clean and dry engine blocks at a rate of one every 45 seconds. Over 3 lb of water travelling at more than 700 mph is projected on to the block every second, removing contamination from both the machined faces and waterways, and achieving levels of cleanliness hitherto unattainable, it is claimed.

Earlier this year Cummins Engine Company, placed orders worth £200,000 for two machines for its new plant at Shotts in Lanarkshire. Scheduled for delivery in early 1980 these machines, which are controlled by a programmable micro-processor will automatically clean and dry large six-cylinder diesel engine blocks.

Elan says machines have already been designed which use the flexibility of the latest programmable micro-processor controls and can be reprogrammed by the operator to undertake new processes. One of these machines will bring to mixed-run production cleaning the precision and control at present only available from a number of dedicated machines, it is stated.

Elan has its headquarters at 9, Park End Street, Oxford, OX1 1HH (0865 724968).

Removes the moisture

CENTRIFUGAL dryers manufactured in Germany for the electroplating and other finishing industries are being put on the market by Electroloid of Chamberlain Road, Aylesbury, Bucks. HP19 3BZ (0296 82261).

The dryers are said to be suited for barrel plating plants, and centrifugal drum capacities are 50, 100, 150 and 300 kg. An electromagnetic interlock prevents the lid being opened while the drum is revolving; there is also an automatic timer and braking system, and an imbalance cutout switch.

The dryer drum is fitted with lugs so that it can be used with hoists and other mechanical handling equipment and there are no tie-bars or cross-members to restrict access or to damage work being loaded and unloaded. Heating is by forced air but the dryers can also be supplied without heating.

Electroloid says one version of the drier is especially suitable for use in fully automated systems which the company designs to meet the user's specific drying requirements and subsequent work-handling methods.

Economic grain cleaner

GRAIN cleaning equipment which can make four distinct separations within the one unit and offers important economies to flour millers has been introduced by Henry Simon, Stockport.

"Gravity Selector" has a patented design based on a new concept in cleaning grains and is available in two sizes with capacities of 8 and 15 tons an hour.

The first separation takes place when light impurities are removed by exhaust air. Secondly, stones overtail from the lower sieve. The light fraction, containing concentrated oats, barley, seeds and shrivelled grain, is removed by the third separation. Lastly, the heavy fraction of grain requiring no further cleaning is obtained.

The unit needs only half the total air requirement of the two separate machines normally used for concentrating impurities and removing stones from the grain stream; exhaust air consumption, filtration and power demands are reduced.

Henry Simon, POB 31, Stockport, Cheshire SK3 0RT. 061 428 3500.

● ELECTRONICS

Controls many signals

ABILITY to handle up to 64 analogue signals and respond to 48 sets of eight-bit digital inputs is the main characteristic of a particularly rugged measurement unit which will control as many as 64 sets of output signals.

Built around a micro to stringent military standards, "pMACS," from Base Ten Systems, will operate in the severest industrial environments.

In operation it will take signals from such units as strain gauges, potentiometers, thermocouples, and bilevel inputs with programmable offsets. Analogue data is encoded at 12 bits per word at rates up to 250 kilobits per second.

The unit has a video output which allows data generated by the micro to be shown on a screen.

Apart from military uses, the unit could be applied to remote supervision of manufacturing equipment and offshore stations, as well as the testing of complex mechanisms.

Base Ten Systems, 12 Eelmoor Road, Farnborough, Hants GU 14 7 QN. 0252 517 665.

● INSTRUMENTS

Colour values indicated

TINTOMETER has a novel instrument for obtaining automatic colour readings in the quality control of edible oils, fats and beers.

The new development comes from a lengthy programme of work towards producing an instrument that will read out the colour of refined edible oils directly in Lovibond colour values. The instrument measures the optical density of the sample at two points in the spectrum equivalent to the Lovibond values of red and yellow and indicates these values automatically on two meters.

Use of the "Automatic Tintometer" eliminates the need for an operator to manipulate controls or filters and thus permits any unskilled employee to obtain the colour reading of the sample easily and accurately. The instrument is rugged and can be used in a production environment as well as in the laboratory.

In operation, the appropriate Lovibond optical cell containing the sample is placed in the sample compartment of the instrument which then passes a beam of light through the sample and through a rotating filter disc to a photocell. The disc contains filters which determine the red and yellow valuations of the sample in addition to a deep-red reference filter which corrects any erroneous readings from the other filters caused by the presence of dirt or suspended solids in the sample.

The electrical output of the photocell is amplified and distributed to one of three capacitors according to the filter that is interposed in the light beam. The circuitry then subtracts the "red" and "yellow" voltage from the reference voltage and indicates the appropriate Lovibond units on the meters.

Development work is being carried out on a model for continuous monitoring in process control applications and on a microprocessor-controlled unit with a digital read-out.

Tintometer, Waterloo Road, Salisbury, Wilts. 0722 27242.

● COMPONENTS

New £2m plant for capacitors

AN INVESTMENT of £2m has been made by ITT Components Group in a new factory and equipment at Wrexham, Clwyd, where one of the first products to emerge is an extensive range of "Type 1" aluminium electrolytic capacitors.

The plant is part of an expansion programme in which Daly Condensers at Weymouth and Plessey's electrolytic business and equipment from Bathgate were acquired.

The KS 10A capacitor range is fully approved to BS 9078 F0009 with a range extension up to 330,000 microfarads and voltages up to 450V. The company claims that its introduction means that it is no longer necessary for design engineers to compromise when selecting high voltage professional grade electrolytics.

ITT believes that the new plant will sharply correct the increasingly weak position of the UK in these components highlighted by a recent NEDO Industrial Sector Working Party. "For the first time" says the company, "Type 1 capacitors are available, across the range, from a British manufacturer."

● MATERIALS

Lightweight structural panels

IN ORDER to satisfy the growing demand for its composite steel and chipboard structural panel (which has now been awarded an Agrement certificate), Nail-Web says it needs to find licensed producers.

Said to be the first truly lightweight structural panels of their type suitable for industrial production, they are a combination of chipboard or plywood sheets with corrugated steel web plates and are capable of spanning long distances.

The panels have been used for the past five years in Norwegian and Swedish houses, and other types of buildings, and are said to have a potential for use as formwork.

In Scandinavia, the possibility is being considered for using the panels as free standing pitched roof elements which would leave an attic uncluttered by truss members.

More from Nail-Web, 88 High Street, Thame, Oxon (084 421 5200).

BUSINESSES FOR SALE

SUBSTANTIAL
BOAT BUILDERS
WELL-ESTABLISHED — HOME COUNTIES
T/O £3m PLUS
Good Order Book. Modern Premises, Plant, etc. Tax Losses.
Write Box G.4735, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE
FREEHOLD GARAGE PREMISES
situated in the Midlands
New vehicle franchise, large workshops, busy forecourt, main road frontage, profitable. Principals only, no agents. Write Box G.4777, Financial Times, 10 Cannon Street, EC4P 4BY.

£500,000 AVAILABLE
I am the ex-Chairman and Managing Director of a public company retained by clients who wish to invest up to £500,000 in a manufacturing company. This money will be used to purchase shares and to expand present facilities. There would like existing management to remain. Please write in confidence to:
LLOYD RESSLER
"Touch Wood," Oak End Way
Gerrards Cross, Bucks.

FOR SALE
Company with very valuable trading title and stocks of parts drawings, moulds, jigs, press tools, test equipment, etc., for manufacture of one day or eight day tachographs. Offers are invited for 100 per cent shares in Co., which is unitraded and has no liabilities. Excellent opportunity.
BRITISH TACHOGRAPH LTD.
c/o Benson, Brooks & Co.
12, Bridgford Road
West Bridgford, Nottingham

NORTHAMPTONSHIRE
SMALL PLANT HIRE AND PLANT SALES COMPANY
for sale. Well-established with turnover in excess of £300,000. Price approximately £260,000. Available immediately as "going concern." Principals only write to:
Box G.4766, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPANY REORGANISATION
Requires reluctant sale of profitable scaffolding, contract and hire business in S. Wales/West Region. Price at an initial stock value but serious offers considered. Write Box G.4774, Financial Times, 10 Cannon Street, EC4P 4BY.

HEALTH AND BEAUTY CLINIC
in Channel Islands
Fully equipped with Sauna, Passive Exercise Machines, Cathiodermie, etc. Profitable. Long Established. For sale due to owner's retirement. Principals only write Box G.4726, Financial Times, 10 Cannon Street, EC4P 4BY.

FLOURISHING
CASH & CARRY BUSINESS
based in London, for sale as going concern. Profits increased every year. Valuable leasehold, massive potential, 1979 accounts.
Please write:
ACCOUNTABILITY
44 Vincent Court, Ball Lane,
London, N.W.4.

LEISURE COMPANY
FOR SALE
Leisure Company involved in the music industry making profits of £75,000 pre-tax with assets of £300,000 is for sale to a serious party. Substantial tax advantages available.
Write Box G.4752, Financial Times, 10, Cannon Street, EC4P 4BY.

VIDEO DISTRIBUTION
Established video software company involved in the world-wide distribution and duplication of prerecorded video cassettes is possibly for sale to a serious and substantial party who wish to penetrate the expanding home video market on an international basis. Serious enquiries only.
Write Box G.4793, Financial Times, 10, Cannon Street, EC4P 4BY.

INSURANCE BROKERS
Specialising in the Pensions Field available for takeover by a group who have cash availability to finance expansion on the solid foundation now established.
Write Box G.4794, Financial Times, 10, Cannon Street, EC4P 4BY.

N. CHESHIRE based motor engineering and customising business. Turnover approximately £150,000 p.a. Price to include garages, workshop and detached 3 bed house £118,000. Write Box G.4779, Financial Times, 10, Cannon Street, EC4P 4BY.

SQUASH RACKETS CLUB for sale in the centre of a major Sussex town. Price £160,000 freehold plus stock at valuation. Apply Geering & Colyer. Telephone No. (0444) 57311.

FOR SALE
INJECTION MOULDING COMPANY
MANUFACTURING ITS OWN PRODUCT LINES
One of the largest producers of Pharmaceutical Vials in this country. Situated in North Bucks. 9,000 sq. ft. plus Modern Leasehold Factory accommodation on two floors.
TURNOVER APPROX. £500,000 p.a.
Full details apply:
AGENTS: HERRING & CO.
Homestead House, Burtons Lane, Little Chalfont
Bucks. HP8 4BL
Tel: 02404 5297/8

Printing Computer Systems Manufacturer
Engaged in design and manufacture of own range of input and editing terminals interphased with standard computers and typesetters. Maintenance and service contracts. Fully equipped assembly and test workshops.
GOOD POTENTIAL
Turnover £450,000 p.a.
Principals only.
Write Box G.4795, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE
100% Holding in Engineering Co.
Long established family concern specialising in high quality engine overhaul work and related activities. Company is quality approved by Ministry of Defence as a military supplier and provides services to Plant Hire, Marine and Transport operators. Attractive low cost lease with 97 years to run on new and re-built premises comprising approx. 9,000 sq. ft. with an extra half acre of ground with outline planning approval on option. Well equipped and ready for immediate sale in Portsmouth.
Apply to P. Down, Ward & Co., 10/12 Landport Terrace, Portsmouth.
Principals only please.

FOR DISPOSAL
Assets of established precision engineering company specialising in the oil, gas and petrochemical industries, excellent production facilities in the East Midlands with offshore service capability. Good international order book, management available.
Write to Box G4731, Financial Times
10 Cannon Street, EC4P 4BY

BUILDING AND CONTRACTING COMPANY
with high reputation and good clientele, available by outright purchase or through acquisition of controlling interest. Locality Northern Home Counties, present turnover £2m approximately with good workload in hand. Premises, yard and joinery shop available on rental basis initially. Good reasons for disposal not related to trading.
Replies to:
Box G.4787, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE
Luxury Bathroom Fittings and Accessories Business.
Sole Rights to exclusive range, Trade marks, dies, etc.
Main outlet the Middle East, where estimated sales in the next 12 months should exceed £100,000.
Small office / showroom near the West End available if required.
Write Box G.4782, Financial Times, 10 Cannon Street, EC4P 4BY.

EAST MIDLANDS
Turnover 1 million pounds plus. Stores in prime sites—selling ladies, men's children's clothing, household, hardware, toiletries, toys, etc. Experienced management team. Low rents—21 year leases.
Please write to
Box G.4781, Financial Times, 10 Cannon Street, EC4P 4BY.

South Hertfordshire
PRECISION ENGINEERING COMPANY
Well-established in modern factory premises and with excellent plant and machinery. Profitable going concern. For Sale.
Sole Agents:
GEOFFREY BARBER & CO.
402 Edgware Road, W2
01-402 0068

FOR SALE
Hardware/D.I.Y. Wholesalers incorporating Cash and Carry Home Counties.
Principals Only.
Write Box G.4775, Financial Times, 10 Cannon Street, EC4P 4BY.

Company Specialising in
CORROSION CONTROL AND STEEL FABRICATION
Sales approx. £400,000 p.a. Based 25 miles west of London. 1 acre site, fully equipped workshops and offices (12,000 sq ft), potential 25-year lease. Small management team.
Write Box G.4791, Financial Times, 10, Cannon Street, EC4P 4BY.

AERIAL PHOTOGRAPHY. Well established company for sale, or amalgamation considered. Write Box G.4776, Financial Times, 10, Cannon Street, EC4P 4BY.

ENGINEERING BUSINESS
For Sale as a Going Concern
LEICESTERSHIRE
including
FREEHOLD LAND & BUILDINGS
(6,800 sq ft Buildings on 5 acre Site)
Well maintained range of Machine Tools
use for production of
AUTOMATIC TURNED PARTS
For particulars contact
GRIMLEY & SON
2 St. Philips Place
Birmingham B3 2QQ
Tel: 021-236 8236

CHRISTIE & CO
INTERNATIONALLY RESPECTED SOUNDS
RENOWNED THROUGHOUT THE MUSIC INDUSTRY!
USED BY THE TOP STARS!
Stage and Studio Equipment Manufacturers boasting Excellent Products range, Unique Trading Name.
Freehold Factory in Greater London. Skilled Workforce Available.
Price: £170,000 for Company Shares.
Apply:
32 Baker Street, London W1M 2BU.
Tel. 01-486 4231.

HOTELS AND LICENSED PREMISES

CHRISTIE & CO
SUBSTANTIAL FULLY LICENSED QUALITY RESTAURANT AND FUNCTION SUITE
Prime City Centre site with Main Restaurant (50 covers), Cabaret Room (110 covers), Lounge and Cocktail Bars, Function Room (120 covers). Extensive Kitchens and service areas. Fully Licensed including Cabaret and extensions. Turnover about £400,000 per annum. Extremely high net profit. Price over £250,000 or would lease. Sole Agents.
Apply: 15 Alva Street, Edinburgh. Tel. 031-226 3421.
LONDON · LEEDS · EDINBURGH · CANTERBURY · WINCHESTER
IPSWICH · CHELTENHAM · CARMARTHEN · EXETER · TRURO

AUDITED NETT PROFIT £95,599 P.A.
IS DERIVED FROM THIS HIGHLY LUCRATIVE DETACHED HOTEL/MOTEL/FREE HOUSE
WITH 50 LETTING BEDROOMS AND OWN GROUNDS APPROX. 8 ACRES
SUPERB BUSY 'A' ROAD POSITION — SUSSEX
Magnificent premises: Cocktail Bar with large Inglenook; Fine Restaurants seating 45 and 150 respectively. Ultra-modern Detached Free House with Function Suite. All ultra-modern Bedrooms with bathrooms en suite. Catering trade not exploited. Anticipated T/O to April 1979 = £335,000. Beautiful grounds with swimming pool, heated. Helicopter landing strip. Central heating. A FAR-ABOVE-AVERAGE PROPOSITION SELDOM FOUND. VERY CONFIDENTIALLY ON THE MARKET. OFFERS INVITED IN THE REGION OF £800,000 FREEHOLD G.A.V. (Substantial Mortgage to an approved purchaser.) R/4887.
NATIONWIDE BUSINESSES, 186, LONDON ROAD, CROYDON. 01-686 2396.

BUSINESSES WANTED

WANTED TO PURCHASE
Manufacturer of high quality electronic equipment capable of expansion
Write Box G4734, Financial Times
10 Cannon Street, EC4P 4BY

Building Company Required
Public Development Company seeks to acquire established Building Company in North London. Current Turnover between £2m and £6m preferred.
Write Box G4783, Financial Times, 10, Cannon Street, EC4P 4BY.

NON-FERROUS FOUNDRY REQUIRED
in Midlands or South East with annual turnover up to £1 million
Producing:—
1. non-ferrous sand casting up to 100 kg
2. die castings in aluminium
Company with either one or both of the above facilities will be considered.
Please send full details in strict confidence to:
Box G.4738, Financial Times,
10 Cannon Street, EC4P 4BY.

CHEMIST/DRUG STORES REQUIRED
A substantial private company has unlimited finances available for the acquisition of single or groups of chemist/drug stores. Please send details of turnover/profit in the strictest confidence
to Mr. H. Dawson
STAFFORD CLARK & CO.
4/16 Deptford Bridge, London, S.E.8
Rapid response to any interested vendors.

TAX LOSS COMPANY
Required with agreed Property Development, Investment or Dealing Losses
Write Box G4780
Financial Times
10 Cannon St., EC4P 4BY

MOTOR DEALERSHIP WANTED — URGENTLY
Overseas investor with cash available wants to acquire a profitable large scale motor dealership in South/South East preferably with good Franchise. Freehold property preferred but leasehold considered. Negotiating to start early November.
Reply: Box G.4784, Financial Times, 10 Cannon Street, EC4P 4BY.

EXPANDING PRIVATE COMPANY
which is oil and process plant related wishes to acquire companies in a similar field. They may be either manufacturers, contractors or factors, but must be profitable up to £250,000 pre-tax and have an able management who would stay with the company.
Write in confidence, giving full details to: Terry Coolson, Cookson & Zinn Holdings Ltd., Hadleigh, Suffolk.

WELL ESTABLISHED FIRM OF FOOD IMPORTERS AND DISTRIBUTORS
seeks to expand, and is seeking to purchase a business in this field, who operate from the London area.
Please write in confidence to
Box G.4778, Financial Times,
10 Cannon Street, EC4P 4BY.

EXPANDING GARAGE GROUP require business in South London or Surrey. Write Box G.4728, Financial Times, 10, Cannon Street, EC4P 4BY.

GARAGE GROUP require an established coachworks-bodyshop within 5 mile radius of Mitcham, Surrey. Write Box G.4729, Financial Times, 10 Cannon Street, EC4P 4BY.

PLANT AND MACHINERY

SALE BY AUCTION
ENVELOPE MAKING, BOXMAKING, LETTERPRESS PRINTING & LUDLOW COMPOSING. PLANT and MACHINERY
including: "HELIOS" WINKLER & DUNNEBIER and DAVID CARLAW ENVELOPE MAKING MACHINES
on
WEDNESDAY, 14th NOVEMBER, 1979 at 1pm
at
BUTT BROS & COOKE (ENVELOPE MAKERS) LTD., 28 BLACKFRIARS STREET, MANCHESTER, M3 5BP.
CATALOUGES from the AUCTIONEERS:
COLEBROOK, EVANS & McKENZIE,
Printers Auctioneers & Valuers
5, QUALITY COURT, CHANCERY LANE,
LONDON, WC2A 1HP.
Tel: 01-242 1362/9

FORK TRUCKS
Sale of 90 used Fork Lift Trucks at ridiculously low prices. All leading makes: Hyster, Clark, Yale, Climax, Manitou Rough Terrain. Prices from £850-£8,500. List sent upon request. Deliveries arranged worldwide. Trade and export enquiries welcome.
BIRMINGHAM FORK LIFT TRUCK LIMITED
4-8 Hams Road, Saltley, Birmingham, B8 1DU.
Telephone: 021-327 5944/5
Telex: 337052

APPOINTMENTS

G. Robinson heads Sangers

Mr. G. H. J. Robinson has been appointed chairman of the SANGERS GROUP in succession to Mr. H. T. Nicholson who is retiring from the Board. Mr. Robinson is the former chief executive of Gillette Industries and has wide experience in the business sectors in which the Group is involved. He has been a non-executive director of the Group since July. Mr. Robinson is at present chairman of Denbyware, a director of Minster Assets and a regional director of National Westminster Bank.

★

Mr. D. J. S. Aston has been appointed chairman of JOSHUA BIGWOOD, a member of the Maurice James group. He has been with Tube Investments for 25 years and was managing director of Accles and Pollock and previously of T.I. Export. Mr. Aston will be assisting the development of Maurice James Industries interests in the engineering industry.

★

Major-General Desmond Mangham is to be Director of the BREWERS' SOCIETY and will succeed Rear-Admiral Colin Madden, who retires next year. Major-General Mangham, who will initially join the Society as deputy director, has been Vice-Quarter-Master-General, Ministry of Defence, since 1978.

★

Mr. Bert Search has been appointed managing director of the WALTER LAWRENCE TRADING. Mr. Tony Thompson has become financial director and Mr. Roy Mollison, company secretary. Mr. Jim Simpson continues as chairman.

★

The SEDGWICK FORBES BLAND PAYNE GROUP and the Swiss Reinsurance Group announce that by amicable agreement between all the parties Mr. Brian T. G. Prevost will be leaving the SFBP Group on December 1, 1979, to join the Swiss Re Group based in London. Mr. Prevost will be resigning his appointments in the SFBP Group from that date.

Mr. Christopher Ball has been appointed managing director of UNIGATE'S milk division from November 1. He will be succeeded as managing director, Bowyers, by Mr. John Dawson.

★

Mr. Stephen Neiman, a member of Lloyds Bank staff at Marble Arch (London) Branch, has been elected to the chairmanship of the Young Members' Council of the ENGLISH-SPEAKING UNION OF ENGLAND AND WALES.

★

Mr. Andrew Breach is to retire as general manager of the BRISTOL AND WEST BUILDING SOCIETY on November 1 but will remain chairman. Mr. Charles Morgan, deputy general manager, and Mr. Harry Chadwick, assistant general manager will become joint general managers. At the same time Mr. Christopher W. Thomas will be elected to the Board.

★

The ORION INSURANCE COMPANY has appointed Mr. B. D. Cauldwell as assistant London non-marine underwriter (LMX).

★

Following the acquisition of Sanderson Kayser by GEI International, a company called S. K. HOLDINGS will be formed and Hemmings (part of the Midland Bright division of GEI) and Sanderson Kayser will be wholly-owned subsidiaries. Mr. J. O. Sewell (chief executive of GEI) is to be chairman of S. K. Holdings and the other directors will be Mr. W. McMurray, managing director; Mr. N. Hanlon; Mr. D. J. Mant; Mr. E. Thompson and Mr. G. A. Timmins. Mr. Hanlon has relinquished the chairmanship of Sanderson Kayser but will continue as managing director. Mr. Sewell has been appointed chairman. Mr. I. A. N. McIntosh, a non-executive director, has resigned from the Board and Mr. Thompson and Mr. McMurray have been appointed.

Mr. J. O. Sewell

BANK RETURN

	Wednesday Oct. 24 1979	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT	£	£
Liabilities		
Capital	14,553,000	
Public Deposits	23,246,365	− 2,599,469
Special Deposits	778,740,000	
Bankers Deposits	605,583,714	+ 196,341,921
Reserves & other Accounts	673,424,559	+ 441,162
	2,095,557,638	+ 194,183,524
Assets		
Government Securities	1,264,670,471	+ 31,190,000
Advances & Other Accounts	163,959,342	+ 15,500,189
Premises Equipment & Other Secs.	650,511,071	+ 101,512,866
Notes	16,022,710	− 11,786,876
Coin	194,044	2,980
	2,095,557,638	+ 194,183,524
ISSUE DEPARTMENT	£	£
Liabilities		
Notes Issued	9,625,000,000	− 25,000,000
In Circulation	9,608,977,290	− 13,213,124
In Banking Department	16,022,710	− 11,786,876
Assets		
Government Debt	11,015,100	
Other Government Securities	8,395,516,684	− 205,459,151
Other Securities	1,218,468,216	+ 180,459,151
	9,625,000,000	− 25,000,000

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In the Matter of PENN CENTRAL TRANSPORTATION COMPANY, Debtor.	In Proceedings for the Reorganization of a Railroad No. 70-347

NOTICE OF EXCHANGE AND AVAILABILITY OF NEW SECURITIES OF THE PENN CENTRAL CORPORATION

Pursuant to Orders entered by the United States District Court for the Eastern District of Pennsylvania (Reorganization Court), the Plan of Reorganization (Plan) for Penn Central Transportation Company became effective on October 24, 1978, at which time the name of Penn Central Transportation Company was changed to The Penn Central Corporation. First Pennsylvania Bank N.A., through its agent, Fund/Plan Services, Inc., Philadelphia, Pennsylvania, has been named Exchange Agent for the purpose of distributing cash and securities of The Penn Central Corporation to the claimants entitled thereto pursuant to the Plan. At the same time, the Reorganization Court directed that no distribution be made to holders of certain bonds which were the subject of appeals. Upon final resolution of each such appeal, the Reorganization Court has authorized the commencement of distributions.

BONDS NOW ELIGIBLE TO BE EXCHANGED

The Reorganization Court has now authorized the distribution of cash and securities to holders of the following bonds:

New York Central and Hudson River Railroad
Michigan Central Collateral 3½% Bonds due
February 1, 1998 (Michigan Central Collateral bonds).

Holders of such Michigan Central Collateral bonds will, upon surrender of their bonds, be entitled to receive cash and securities of The Penn Central Corporation in accordance with the Plan. The Penn Central Corporation requested The New York Stock Exchange to suspend trading in these bonds before the opening of trading on October 25, 1979.

EXCHANGE PROCEDURES

A Letter of Transmittal with instructions for surrendering such Michigan Central Collateral bonds in exchange for cash and securities of The Penn Central Corporation has been mailed to each holder as of October 25, 1979, whose address was known. These documents were not mailed to holders whose addresses are unknown, or whose identities are not known because their securities are in bearer form. If you own any of these bonds and you have not received a Letter of Transmittal, you may obtain a copy by completing the form below and mailing it to the Exchange Agent.

SPECIAL NOTICE CONCERNING TIMING OF EXCHANGE

For the reason described in this paragraph, it is important to surrender Michigan Central Collateral bonds so that they are in the hands of the Exchange Agent no later than November 14, 1979. One of the securities of The Penn Central Corporation which holders of Michigan Central Collateral bonds are entitled to receive pursuant to the Plan is Series A General Mortgage Bonds (A Bonds). Certain of the A Bonds distributable to holders of such Michigan Central Collateral bonds may already have been selected by lot for redemption as of December 31, 1978. In order to be eligible to receive cash in lieu of any A Bond selected for redemption, Michigan Central Collateral bonds together with a properly completed Letter of Transmittal, must be received by the Exchange Agent no later than the close of business on November 14, 1979. Michigan Central Collateral bonds received after that time will receive A Bonds which will be eligible only for the redemption scheduled for December 31, 1979, and subsequent redemptions, but not for the redemption as of December 31, 1978.

First Pennsylvania Bank N.A.
c/o Fund/Plan Services, Inc.
P.O. Box 8717
Philadelphia, PA 19101

Please send a Letter of Transmittal with instructions in respect to the Plan of Reorganization for Penn Central Transportation Company, Debtor, to:

Name ______________________ (PLEASE PRINT)
Street ______________________
City ______________ State ______________ Zip Code ______________
Name of Bond ______________________

هكذا من الأصل

THE ITV COMPANIES

ATV Network · Anglia Television · Border Television · Granada Television · Grampian Television · HTV · London Weekend Television
Scottish Television · Southern Television · Thames Television · Tyne Tees Television · Ulster Television · Westward Television · Yorkshire Television

Shown here is a representative selection of the products of the 60 largest spending clients as measured by MEAL.

Nicholas Leslie on a challenge to the motor racing establishment

Grand Prix gambler backs Derbyshire dream

THERE ARE many types of dream. Frequently, they involve the fulfilment of some extravagant wish. Tom Wheatcroft's dream is one of these. If he realises it, he will have had to put up the best part of £5m before he starts to show any real return on his money.

Wheatcroft's dream is to bring Formula One car racing back to Donington Park, in Derbysbire, a race circuit that before the last war was the venue for some major motor racing events. Among the spectators at those meetings was an enthralled young Wheatcroft. So smitten with the spectacle was he that motor racing has remained a passion ever since.

As in all good adventure stories, the young Wheatcroft went nn to make his fortune—as a builder. This enabled him to indulge his fascination with motor sport by amassing what is claimed to be the biggest private collection of "vintage" racing cars in the country.

It was a natural next step for Wheatcroft to see Donington as the ideal place to house his collection. So wben it came up for sale in 1971 he bought it.

This put him on the starting grid towards achieving his ambition, but he still had—and has—a way to go. Formula One—motor racing's top class—came to a halt at Donington in the last war when the site was taken over by the Ministry of Defence. Since then Silverstone and Brands Hatch have vied for the privilege of hosting such races, of whicb there may at best be one or two a year. So they clearly are not going to give up Formula One without a fight.

Though motor racing has resumed at Donington in the past few years under Wheatcroft's ownership, it has involved formulas other than Grand Prix, together with motor cycle racing. The circuit needs to be extended marginally to meet the minimum 2.2 miles required for Grand Prix. And witb drivers of both cars and hikes demanding ever more stringent safety measures to be incorporated into the circuits, the demands oo capital investment climb inexorably upwards.

To help overcome such barriers Wheatcroft recruited Peter Gaydon, an ex-Formula Two racing driver, as his managing director. Gaydon, after retiring from racing, spent some time with Rootes (in pre-Talbot days) before setting up his own promotions company, which he still owns.

The strategy for Donington, as Gaydon describes it, sounds like a calculated gamble, even though the circuit is clearly well situated just off the M1 north-east of Birmingham, and adjacent to the East Midlands Airport. For the plan involves something akin to a Catch 22 situation—a lot of money must be spent on facilities if ever Donington has a bope of attracting Grand Prix, while a return on sucb investment can only be expected in the reasonably foreseeable future if Formula One cars actually use the circuit.

James Hunt

Gaydon says Formula Two racing and motor-cycle events do not really produce a profit, in contrast with Formula One, which can produce big profits if it is successfully staged. At the same time, presumably, the smaller events also stand a better chance of being well attended if the circuit becomes more widely known through staging Grand Prix races.

All in all, then, the task of attracting such a race to Donington is obviously considerable—as is the importance of it to the circuit's future.

Gaydon's answer is to attract drivers and riders, as well as the public, with what be reckons are the best facilities. The former are offered a circuit that is being improved and modified with the help of advice from people like James Hunt and Barry Sheene.

The circuit has a complete drainage system to keep it free of excessive wetness if it rains dnring a race and, for safety, there are track-side sandpits at strategic points instead of fencing should a vehicle come off (Gaydon says Wheatcroft insisted on this because, having been in the desert during the last war, be is convinced about its powers to stop a speeding vehicle dead in its tracks).

For the public there will be new, seated stands at different points around the circuit. These epitomise Gaydon and Wheatcroft's gamble, for the idea is to cover the cost of construction by selling off a 25-year lease on each stand to a company for £85,000. The company would be able to use the stand as it wished for publicity purposes. Six sucb stands are planned, witb 550 seats to each.

Additionally, smaller "hospitality units" will be offered for hire beside the circuit. Gaydon has already persuaded several large companies to fund the construction of other facilities such as a bridge over the track, petrol stations and pnbs.

Because of the limited financial potential of non-Grand Prix races, events in other fields are helng contemplated, such as tennis tournaments and equestrian events. But it will still be the major car race which will justify the expenditure, which to date bas reached about £3.5m, says Gaydon.

Emphasising the strategy of big spending, he says "we believe that in the long term we must make the investment in order to make the return. Sooner or later the Grand Prix competitors will start to say that tracks are not safe and will refuse to race there."

Bnt bas Wheatcroft chosen the right time to realise his dream? Nnt only did the oil crisis of 1973 erupt only two years after he had set up his racing car museum at Donington, but the world is now suffering from a longer-lasting oil price explosion and supply squeeze.

Gaydon justifies his timing by saying that it has already been shown that there is no justification in restricting motor racing: in 1974 one study argued that motor sport was responsible for £16m of exports a year and that it provided a lot of employment.

Moreover, he says, it was shown that in the same year the 26 teams competing in Formula One car racing had in the whole racing season used less fuel than was required to fly one Jumbo jet across the Atlantic.

Profile

Jason Crisp meets the head of Britain's top private medicine group

The thwarted doctor who now looks after millions

Terry Kirk

Derek Damerell of BUPA: took on Barbara Castle and won

THE PRIVATE medical insurance industry is cock-a-hoop. Business is booming, with BUPA, the industry's largest entity, boasting a current annual growth of 12 per cent taking its subscription list towards the million mark (thanks to family subscriptions, it already covers more than 2m people).

Any political threats have shifted into the distance—for the time being anyway. And this summer saw the greatest propaganda coup so far, when Frank Chapple negotiated cover for 40,000 of his electrical trade union members, much to the annoyance of other unions.

Yet less than five years ago the number of subscribers was tumbling and private pay beds in National Health Service hospitals were supposed to be rapidly phased ont, at a time when 65 per cent of private patients undergoing hospital treatment did so in an NHS hospital.

"It is not generally well known just how close we came to the end of private medicine in this country," says Derek Damerell darkly. He had, and still has, a more than passing interest in the continuance of private medicine, and has played a central role in saving it.

Damerell, aged 58, is chief executive of British United Provident Association. It was he who first organised the doctors and the rival private insurance companies into forming a unified body to oppose Barhara Castle's plans for phasing out pay beds.

His background is not what one might expect for the head of an insurance organisation—medical insurance is a rather different beast from traditional insurance—he has heen in mining, tobacco, and huilding materials, as well as wool.

The job which gave him most preparation for the fight for pay heds was as regional director for Nurth and South America in the International Wool Secretariat. Since the connection is not immediately obvious, Damerell explains: "It gave me a tremendous amount of experience in the politics of business. The politics of wool and farming are ferocious, and I was right at the thick end of it. It was to stand me in good stead."

Ooe facet of political expertise be perhaps failed to master at the International Secretariat was how to become managing director. He was in the same job there for 11 years, although when he joined he had done so with the prospect of eventually taking command. The first time the post became vacant he saw himself as firm favourite, "not the official heir-apparent, though." He was shortlisted, but was passed over for an Australian from outside the secretariat.

His nose was really put ont of joint when, four years later, he was passed over for promotion for a second time, again for an Australian from outside.

Not surprisingly, he decided to move and let "a few head-hunters" know he was "available." The result was the offer nf the BUPA job, although he admits to laughing at the idea at first. "But I have never looked back."

Hostility

The day he accepted the BUPA post Barbara Castle announced that private medicine would be abolished, he recalls. But when he started on New Year's day in 1974 there were plenty of problems apart from the growing political hostility to private medicine.

Not least of these was an almost immediate decline in the number of subscribers, because many individual subscribers were becoming too squeezed to afford the subscription, and pay policy discouraged employers from introducing it as a "perk."

But his major task was to try to avert moves to phase out pay beds very quickly, leaving private medicine with nowhere to treat the majority of its sick. The very existence of private beds in the NHS has long been a thorn in the ideological side of the Labour Party. (There are also the somewhat less ideological objections that it is only the consultants who are allowed to board this particular gravy train. No one else—from registrar to tea lady—benefits from tending a private patient in an NHS bospital.)

The unrest which had been seething below the surface burst into the open wben the National Union of Public Employees took action at Charing Cross Hospital in an effort to close the private wing. Hostilities spread and objections to the provision of pay beds broadened to incinde private medicine altogether.

Although the medical profession was fiercely opposed to the plans to pbase out pay beds it was disunited, and certainly nn match for as able a politician as Barbara Castle. The private medical insurers were proscribed from directly entering the political arena as they were registered charities.

Damerell took the initiative of setting up the Independent Hospital Group to act as a united voice. All the relevant bodies joined, including the BMA, junior hospital doctors, the Royal Colleges and the private medical insurers; Lord Goodman was retained as adviser. "We literally spoke as one voice, taking on board the medical profession as a collective body."

In the meantime, Damerell pressed ahead with the establishment of more private hospitals all over the country. At one stage BUPA nearly took over two London hotels as emergency hospital space.

As the situation worsened and the consultants worked to rule, Lord Goodman ceased to advise the IGH. He was then appointed as independent negotiator between it and the government by the then Prime Minister, Harold Wilson.

The final result was a decision to phase out paybeds in an orderly fashion. This gave the IHG time to increase the number of private beds in private hospitals.

Since then the IHG has continued to plead the cause of private medicine, although some of Damerell's critics complain that he sees himself as its "voice."

As Damerell says, the future of private medicine now looks brighter than it has for some time — only 35 per cent of private patients are treated in NHS pay beds now and more private hospitals are being built. Private medicine will in future be much less vulnerable to being peremptorily booted out of NHS hospitals. But this is not the same as saying it is inviolate.

The demand for private beds is such, says Damerell, that BUPA may be seeking outside finance for building private hospitals. As yet it is not decided whether it will seek it through loans or joint investment.

Of the future Damerell says: "I would have to admit I have never been in an organisation where it was more difficult to look in the crystal ball. I would be chancing my arm to predict what government we may get or what may happen to the NHS." This unpredictability could deter some potential sources of finance, especially in parts of the City.

Disadvantage

Ironically Damerell wanted to be a doctor himself and went to Edinburgh University to study medicine. His decision was influenced by the fact that he had spent two to three years in and out of hospital as a child. His arm was seriously broken in India at the age of seven and was very badly set; it was poorly reset in London. Eventually it took a year in a hospital in Switzerland to gain reasonable use of it. However, it was still sufficient of a disability for the Dean to advise him that he would be at a disadvantage in medicine.

So he abandoned the idea and walked over to another department, to read economics.

Refused entry to the services in the war because of his disability he became trainee manager at Imperial Tobacco, and as many managers were away at the war he rose quickly to become assistant factory manager in his early 20s.

After the war and two years in the U.S. he was sent to Newcastle to set up a new factory for WD and HO Wills. The project lasted two years and was very different from the usual life in Imperial. "While it was being built you had to make decisions on the spot, day by day, there was no time to refer back. Once running, the new project was pulled back into the 'committee system'."

Frustrated with this, he decided to emigrate to Canada. But while working out his notice at Imperial, he was telephoned by the managing director of British Plasterboard (later BPB) who had been told about him at a dinner. Since he had nothing to lose Damerell went to see him and explained that he could see a future in iron in Quebec and Northern Ontario and that he was going there to try mining.

The managing director suggested that Damerell join British Plasterboard for six months to work as a pupil in a gypsum mine. If at the end of the period they did not like each other he could go to Canada and at least he would know something about mining.

He stayed. Six months later he became general manager of three mines in the north-west following the sudden death of the incumbent.

By the age of 34 he had become a main Board director and official assistant to Dick Jukes, the chief executive—with the long term aim of being his successor, says Damerell.

But that was not to happen, though he did go to Canada after all. BPB's small subsidiary there was in difficulty and Damerell volunteered to turn it round. When he went, BPB had two small plasterboard factories and one mine in the West of Canada. In the four years he was there it opened 11 mines and factory units. He returned to London when Jukes was taken ill.

Damerell is noticeably more enthusiastic when he recounts those parts of his life where there was something specific and challenging to be dealt with, and which was his direct responsibility . . . the new factory, the Canadian mining company. Beside them the other jobs pale.

"I have to admit to having a tremendous amount of ambition, not ambition to have a million pounds but ambition to win at the business game I am playing," he says in explanation.

But he was not to succeed Jukes at BPB, for in 1965 he was head-hunted by the International Wool Secretariat to spend 11 years in what he describes as his least rewarding job. "It turned out to be the biggest mistake of my life."

هكذا من الأصل

LOMBARD

Gold boost for EEC reserves

BY DAVID MARSH

BY STATUTE of the IMF, and edict of the U.S. Treasury, gold remains officially demonetised. But the 75 per cent surge in the price of the metal this year has resulted in central banks around the world paying it a lot more attention both as a symbol of monetary strength and as a source of reserve liquidity.

The most striking example has occurred within the EEC, which owns 40 per cent of the world's monetary gold. At the beginning of this month, the effective foreign exchange reserves of the Common Market's central banks were increased, at a stroke, by around $4bn—a simple consequence of the mechanism built into the European Monetary System under which the readily accessible level of EEC reserves rises and falls with the gold price.

Valuation

Since the EMS started operation in March, an important part of EEC countries reserves has been held in European Currency Units, the Community's composite currency unit, used in this case as a means of settlement among central banks. Ecus are issued in return for the deposit of 20 per cent of the central banks' gold and dollar reserves—with the important condition that gold is valued at a market related price, reset every three months.

The valuation procedure is fairly conservative—the average London fixing price over the previous six months, or on the penultimate working day, whichever is the lowest. Thus the end-September valuation put on the 85m ounces deposited at the EMCF was $365 per ounce—nearly $100 below current market levels.

The roughly $30 rise in the six-month average compared with the end of June sufficed, however, to raise the number of Ecus issued against gold to $26bn from $22bn. Taking into account the Ecus created against the dollar deposits, total Ecu holdings at the end of last month came to around $43bn—70 per cent more than the $25bn envisaged when the Ecu scheme was given the first cautious go ahead in summer 1978 (when gold was only $180).

It might be argued that the gold-into-Ecu mechanism has brought no real change to reserve levels. Central banks have been free for some years to value gold at market prices rather than the old official level of $35 per ounce. France and Italy, the EEC's most gold-conscious countries (and the largest holders, after West Germany, in the Community), both adopted such a valuation method well before the advent of the EMS.

But gold bars, whatever their book-keeping value, are not nearly as easily mobilised as Ecus. Under balance of payments pressure, central banks of course have the option of either selling part of their gold stocks, or using them as collateral for loans. But these are both last resort crisis measures—and can harm the country' own interest by severely jolting the market price.

The EMS so far has been spared the test of speculative attacks on the French franc and the lira which could force the French and Italians to delve into their Ecu holdings.

Belgium, however, is in another category. Its franc has been under almost constant pressure, both before and after last month's D-Mark revaluation. With the highest proportion of gold holdings to foreign exchange reserves in the EEC (about 6:1 using the latest gold valuation price), the Belgians have been particularly grateful for stocks of Ecus to finance support of their currency.

Austerity

Unlike Denmark, Belgium managed to avoid the devaluation which has been urged by some of its EMS partners as part of last month's realignment. With an inflation rate of only 5 per cent, and an economic austerity programme already in place, the Government argued that a devaluation was not called for. But another central factor was that Belgium, with 42.6m ounces of gold (Denmark has only 600,000) was in a far better position to ride out the storm.

If ever it comes to a vote among the Group of Ten whether central banks should indeed intervene to dampen a "destabilising" surge in the gold price, there will be no prizes for guessing on which side of the fence the Belgian National Bank comes down.

A long flowering of fortune

AS OCTOBER ends, the tide of summer visitors ebbs, and the Isles of Scilly enjoy a brief respite before their next major source of income, the cut-flower business, gets under way in time for Christmas. This is a time for mending boats, battered by the summer traffic; for refurbishing hotels and holiday cottages shut down for the winter; and for Scillonians perhaps to snatch brief holidays themselves, away from the islands.

It has been suggested that the Isles of Scilly, part of the Duchy of Cornwall, are the original Hesperides, or Isles of the Blest, of ancient mythology, or perhaps the Cassiterides, or Tin Islands, of Phoenician legend. No one knows—there is no tin there now—but today the Scillies are more popularly called "The Fortunata Islands."

Mild climate

It is a soubriquet with which few would disagree—especially since income tax only came there in 1954! Situated in the Western Approaches of the Atlantic, some 28 miles off Land's End, this group of over 100 small islands, some no more than pinnacles of rock, and of which only five (apart from those with lighthouses) are inhabited, enjoys a mild climate, although frequently windy and occasionally gale-lashed in winter. The islands have remained unspoiled for centuries, and in recent times have been able to resist the more blatant commercial pressures which have been the downfall of many other tourist paradises world-wide.

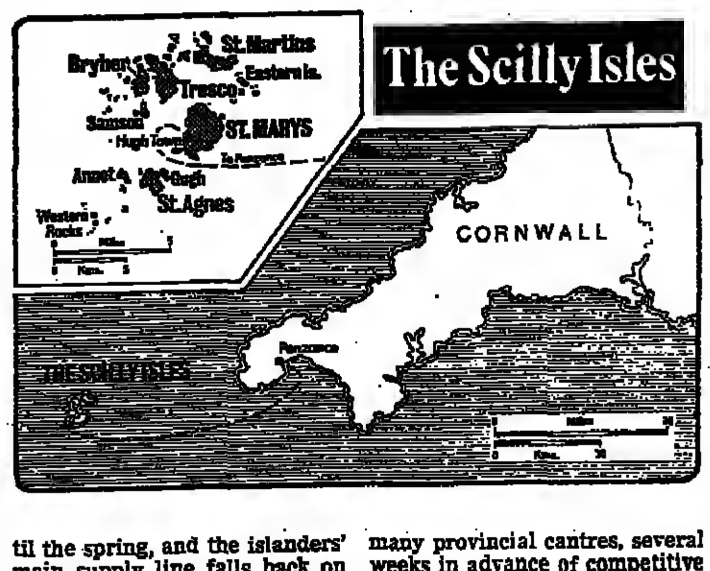
This has been due largely to the fact that the dynasty founded by Augustus Smith nearly 150 years ago, leased the islands and ran them from 1834

AROUND BRITAIN

SCILLY ISLES

to 1955, originally as "Lords Proprietor" and latterly as permanent chairmen of the Council of the Isles of Scilly. Today, a member of the same family, Lt.-Cmdr. T. M. Dorrien Smith, is still the lessee of Tresco (the second-biggest inhabited island) and of all the uninhabited islands, with a lease that runs until 2028. But the other inhabited islands, including the biggest, St. Mary's, are now administered by the elected Council of the Isles of Scilly.

As a result of the Smith family's endeavours over nearly 150 years, the islands are among the few remaining unspoiled parts of Britain. With a resident population of about 2,000, they enjoy a carefully balanced prosperity, based on their physical and climatic advantages. In summer, they attract the tourists, but not so many as to wreck the peace and quiet. There is only a limited volume of accommodation, even though many islanders take in paying guests, for hotels are few. The twin problems of getting cars across from the mainland, and the limited road mileage on St. Mary's (with no "roads" as such on the other islands, even if cars could get to them, which they can't) virtually prevents touring, caravanning and camping, all of which are forbidden on Tresco anyway. The Scillies are places for walking, and other quiet pursuits, such as botany, birdwatching and bathing off the superb beaches.



The tourist trade provides the biggest single source of income, and during the summer, most of the island's population benefits from it in one way or another. It is the basis of the British Airways regular helicopter services from Penzance and the increasingly popular fixed-wing Twin Otter flights of Brymon Airways from Plymouth, Newquay and other points. But, in the winter, the helicopter frequencies are reduced, Brymon shuts down until the spring, and the islanders' main supply line falls back on the Scillonian and the Queen of the Isles, the two regular steamers from Penzance run by the Isles of Scilly Steamship Company.

It is in the winter that the second major source of income comes into its own—the cut-flower trade, built round the narcissus and the daffodil. The earliest flowers are ready for picking in bud in December, in time for the Christmas market on the mainland; but the main emphasis comes in the New Year, when blooms by the hundred thousand are shipped not only to London but also to many provincial centres, several weeks in advance of competitive sources of supply.

Both sources of prosperity are of course at the mercy of the climate, both physical and economic. A bad summer can wreck the tourist trade; a bad autumn can be disastrous for the flower business.

Minority view

So far, the Scillies have coped, and although some voices have been raised for alternative developments, there does not appear to be any great enthusiasm for anything that would change the islands' way of life. The islanders are sturdily independent, friendly to "mainlanders" provided they behave themselves, and do not trample across the bulb fields or break down the walls, but like islanders the world over they are anxious to ensure that their way of life remains unspoiled. No-one wants to see a rash of "bungaloid" retirement dwellings sprouting over the islands and ruining the scenery while adding nothing to the economy. Some additional hotels would stimulate more tourists, but in turn would put pressures on the limited space available.

Over the years, the islanders have worked hard to ensure that there is a finely-tuned balance in the economy between summer visitors and winter flowers. It would be easy to commercialise the splendid scenic attractions, to the point of ruin. The prosperity that would engender might be attractive to some, but while the majority of Scillonians, like others, enjoy prosperity, many of them believe there are other just as precious things to be coveted, such as the continuity of a calmer way of life, away from the increasingly frenetic world, in the midst of a beautiful, unspoiled environment.

Michael Donne

Sea Pigeon set to win again

RACING

BY DOMINIC WIGAN

THE most valuable race on today's Newbury programme is the William Hill Hurdle (3.00) which will give southern racegoers an opportunity to see the northern champion Sea Pigeon.

There is no doubt about Sea Pigeon's fitness, for Mr. Pat Muldoon's gelding successfully conceded two stone to Wednesday's Sandown winner Greatbam Hall over 1½ miles on the flat at York less than a fortnight ago. Today's race appears to be a formality.

A half an hour after the William Hill Hurdle several well-bred two-year-old fillies line up for the Radley Stakes (3.30) run over the Round Course of seven furlongs and 60 yards. These include Neenah, who was running on strongly in the closing stages of the Cheveley Park Stakes at Newmarket, and Dancing Shadow, an unraced daughter of Dancer's Image, whom Major Dick Hern trains for Sir Michael Sobell and Sir Arnold Weinstock.

Hern saddles three in the race, but Carson rides Dancing Shadow who is reported to be something out of the ordinary.

John Dunlop may hold the key to the Dick Dawson Nursery Handicap (4.00) with Aswad, who runs in preference to Highland Bear. This colt, by Royal and Regal, who cost 51,000 guineas as a yearling, has demonstrated his ability to stay a mile and seems to be leniently treated with eight stone.

Although it is a long time since he last won, I give a chance to Middleton Sam in the William Clark Handicap (4.30). Middleton Sam has paid the penalty for a successful two-year-old career, but has been dropped a few pounds in the weight and the opposition here does not look particularly formidable.

At Doncaster, Boon is likely to supplement his win at Pontefract last month by taking the Wheatley Park Stakes (3.30). Mr. Fordette, who ran well in a similar type of event at Newmarket last week, is a reasonably confident choice for the Sandall Park Apprentice Handicap (4.00). And Northleach can complete a hat trick in the Halberdier Handicap (5.00).

NEWBURY
2.00—Bronzio
3.00—Sea Pigeon
3.30—Dancing Shadow
4.00—Aswad*
4.30—Middleton Sam**

DONCASTER
2.00—Gold Prospector
3.30—Boon
4.00—Mr. Fordette***
4.30—Emerald Sea
5.00—Northleach

TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Open House at Pebble Mill, starring Dame Vera Lynn, Dame Edna Everage (simultaneous with Radio 2). 1.45 Camberwick Green. 2.02 For Schools, Colleges. 3.23 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Maxidog. 4.25 Jackanory. 4.40 Hong Kong Phooey. 4.55 Crackerjack. 5.35 Paddington.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 Tom and Jerry.
7.05 Are You Being Served?
7.35 Sykes.
8.05 Penmarric.
9.00 News.
9.25 Petrocelli.
10.15 Points of View (London and South-East only).
†10.20 Phil Silvers as Sergeant Bilko (London and South-East only).
10.45 Regional, National News.
10.50 The Late Film: "Banning," starring Robert Wagner.

All Regions as BBC 1 except at the following times:

Scotland—9.25-9.45 am and 11.00-11.20 For Schools. 12.40-12.45 pm Scottish News. 1.00-1.30 Clearcall. 5.55-6.20 Reporting Scotland. 10.15 Beechgrove Garden. 10.45-10.50 Regional, National News.

Wales—1.45-2.00 pm Y Cowbol Bach. 2.02-2.22 I Ysgolion. 5.55-6.20 Wales Today. 7.05-7.35 Heddiw. 10.15 Week In Week Out. 11.05 News for Wales. 11.06 The Rockford Files. 11.56 Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Gallery. 10.45-10.50 Regional, National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 10.15-10.45 East (Norwich) Encounter; Midlands (Birmingham) Midlands Tonight; North (Leeds) Close-up North; North-East (Newcastle) Coast to Coast; North-West (Manchester) Home Ground; South (Southampton) Bioscope Days; South-West (Plymouth) Newswatch; West (Bristol) Public Life.

BBC 2

11.00 am Play School (as BBC 1 3.55 pm).
2.15 pm Racing from Newbury.
7.00 Snooker: State Express World Challenge Cup.
7.30 Mid-evening News.
7.40 Kilvert's Diary.
7.55 Step This Way.
8.20 Arthur Askey in "The Old Boy Network."
9.00 Snooker: State Express World Challenge Cup Final, part 1.
10.00 Circuit Eleven Miami.
10.45 Snooker Final.
11.15 Late News on 2.
11.30 Friday Night ... Saturday Morning with Sunday Times Editor Harold Evans and Jilly Cooper.
12.20 am Closedown reading.

ITV REGIONS

9.30 am The Nature of Things. 10.20 Film: "The Wrecking Crew." 12.00 A Handful of Songs. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News. 1.20 Local News. 1.30 Divorce and After. 2.00 Film. 3.45 Definition. 4.15 Feathered Serpent. 4.45 Rainbow Special. 5.15 Oh Boy!
5.45 News.
6.00 Local Magazine.
6.35 Crossroads.
7.00 Mixed Blessings.
7.30 3-2-1.
8.30 Cannon and Ball.
9.00 Best Sellers: "Ike."
10.00 News.
10.30 Best Sellers: "Ike" (continued).
11.15 Soap.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast † Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 Al Matthews. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S) (1.00-1.45 simultaneous with BBC 1 Television). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.40 Party Political Broadcast by the Conservative Party. 6.45 Sports Desk. 7.02 Hello Cheeky! 7.30 Fiesta de Ocnia (S). 8.02 Big Band Orchestra. 8.45 Friday Night Is Music Night from Orla (S). 9.55 Sports Desk. 10.02 Sequence Time at the Radio 2 Ballroom. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music with Tim Gudgin (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Fauré (S). 9.50 Young Artists Recital (S). 10.50 Spanish Church Music (S). 12.10 pm Midday Concert, part 1 (S). 1.00 News. 1.05 Midday Concert, part 2 (S). 1.55 The Arts Worldwide. 2.15 The World's Greatest Jazz Musicians: Count Basie (S). 3.20 Messiaen song recital (S). 4.25 Composing Notes (S). 5.25 Homeward Bound (S) including 5.45-5.50 News. 6.15 At Home (S). 7.10 One Pair of Ears. 7.25 Play it Again. 7.30 "The Condemnation of Lucullus," opera in 12 scenes by Dessau (S). 9.30 Brahms and Schumann piano recital (S). 10.00 The Atkinson People (S). [illegible] Interval Reading. 11.15 Concert, part 2. 11.55-12.00 News.

RADIO 4

5.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including: 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Queen Island Diaries. 9.45 Enquire Within. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 The Small Back Room. 11.00 News. 11.05 You, The Jury. 11.50 Poetry Please! 12.00 News. 12.02 pm You and Yours. 12.27 My Word! (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour from Birmingham. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.10 A Match for the Master. 4.40 Announcements. 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Just Before Midnight (S). 12.00 News.

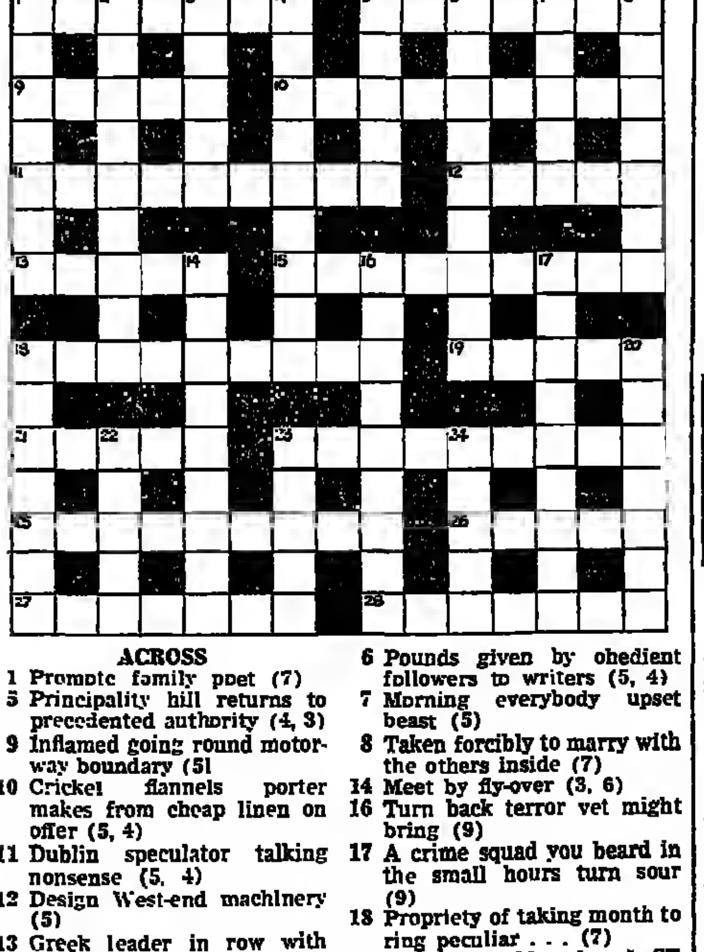
BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Party Pieces (S). 7.45 Adrian Love's Open Line (S). 9.00 Nicky Horne's Mummy Weekly (S). 11.00 Mike Allen's Late Show (S). 2.00 am [illegible]

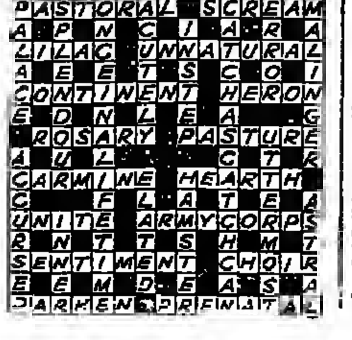
F.T. CROSSWORD PUZZLE No. 4,109



ACROSS
1 Promote family poet (7)
5 Principality hill returns to precedented authority (4, 3)
9 Inflamed going round motorway boundary (5)
10 Cricket flannels porter makes from cheap linen on offer (5, 4)
11 Dublin speculator talking nonsense (5, 4)
12 Design West-end machinery (5)
13 Greek leader in row with cat (5)
15 Rail union's hacking me to help nanny (9)
18 Hanging on to retainer (9)
19 Staff needed with thrust (5)
21 Funny taking care of 1099 (5)
23 Cut meat to Commons restaurant (4, 5)
25 Sinner gets salesman to steal at tea-break (9)
26 Wealth of averages (5)
27 Fashion beastly place with decency (7)
28 Touching line from chap with sunburn (7)

DOWN
1 Reader needing a hand (7)
2 Making cast go in for recapitulation (7, 2)
3 Sance loses final up in bost (5)
4 What 105p came to represent in Oceania (3, 6)
5 Honoured companion sick of cold (5)
6 Pounds given by obedient followers to writers (5, 4)
7 Morning everybody upset beast (5)
8 Taken forcibly to marry with the others inside (7)
14 Meet by fly-over (3, 6)
16 Turn back terror vet might bring (9)
17 A crime squad you beard in the small hours turn sour (9)
18 Propriety of taking month to ring peculiar . . . (7)
20 . . . assembly abroad SE Kent's reforming (7)
22 Went around aimlessly by bike (5)
23 Cautious of having tea with youth leader (5)
24 Cough demanding attention by a northern tough guy (2-3)

SOLUTION TO PUZZLE No. 4,108



THE ARTS

Wyndham's

Tishoo by B. A. YOUNG

Brian Thompson discusses an interesting idea in *Tishoo*, the practical value of pure sciance. Frank Merrick is a virologist at a university in the south of England (not, as we older ones may think, a professor of piano at the RCM). For 17 years he has been working towards a cure for the common cold, and now, when he is so confident of success that he has decided to publish his work, he and his lab are sacrificed by the new Vice-Chancellor as part of the cuts in expenditure forced on the university.

How high a priority, asks the Vice-Chancellor, a former diplomat with a first in Classics, should a cure for the cold be given? Isn't the cold a familiar, even a useful, factor in our lives? Is its elimination worth the deprivation of other, more immediately advantageous things? Frank Merrick cannot be made to think so, yet his work is to be terminated.

Now why didn't Mr. Thompson write his play about this? Instead, he has made Frank into a clown, given to endless chat . . . to himself if no one else is available — and involved in romantic situations with his faithful lab technician Barbara and the new young research student Clare, and written a comedy packed with jokes like confusing "prawn" with "pawn."

What makes the situation sadder is that the play has been given an absolutely first-class production under Ronald Eyre. Alec McCowen plays Frank, encompassing his improbable idiocies with all the immaculate sense of comedy he knows so well how to control. It is heartbreaking that he should be driven into the obligatory drunk scene of second-class comedy, that each time he has a clinch with one of the girls he is automatically interrupted either by the Vice-Chancellor or the porter, when the character as he defines him is capable of such interesting things.

Moreover the rest of the acting is worthy of its company. Penelope Wilton plays Barbara, a devoted colleague who has been nursing her love for years, now threatened by the advent of young Clare, a beautiful sub-Cockney performance by Diane Bull. Both these characters are equipped with circumstances that might have been put to good dramatic purpose; both of them have to do their very good best with what the author has given them. Geoffrey Palmer is excellent too as Layborne, the Vice-Chancellor, a figure of imperative courtesy whom one can really believe to have the intellectual superiority he is credited with. Only Cullin, the porter, a Trade Union activist who is drawn in purely farcical terms, fails to blend with the background, though Tony Selby goes through his comic routines ably enough.

John Gunter's splendid set shows a well-equipped virology lab full of bottles, rabbits and scientific equipment, but the stained-glass windows indicate that it was meant for something different, as it will be after the end of the play.

Leonard Burt

Alec McCowen

Theatre Royal, Glasgow

Orfeo ed Euridice

Tuesday's performance of the new Scottish Opera *Orfeo ed Euridice* disclosed a matchless hero and an unusually vivid Eurydice and Cupid — three Gluck performances sufficiently strong and secure of style to maintain their independence of a shallow and often misguided production by Peter Ebert. As was widely remarked when Janet Baker undertook Orpheus at the Proms last year, the role is one she was born to play, just as Gluck is a composer she was born to sing. Let us first admit that for the bottom fifth of its compass she cannot master the tonal solidity that used to be demanded of the Clara Butts and the Kirkby Lunns; and that her utterance of Italian is perhaps less expressive than it is in English or French (for reasons that will be given later, it might have been wiser to play the opera in either of those languages). Then let us begin to praise the nobility, the classical directness, the beauty of Dame Janet's performance.

Its most beautiful moments were the third strophe of "Chiamo il mio ben," the aria "Men tiranne," and the second reprise of "Che farò"—passages infused with a soft, beyond-grief radiance infinitely more perceptive of character and situation than the contralto sledgehammer sometimes indiscriminately applied to the music. By means of that peculiar eloquence of stance, movement and facial expression that Dame Janet brings to all her classical roles, she enacts a hero not naturally heroic, who must nerve himself to brave the ordeals, whose falterings and tremors are "real" in a way Gluck and Calzabigi would surely have appreciated. Passion and force also enter her singing, and sometimes a passing strained, sharp sound, drawn within the line with the same musicianship that touches in the low-lying phrases. If, all the same, her Orpheus was less moving in Scotland than at the Albert Hall, that may be because in the concert hall it had only to triumph over limp conducting, whereas here the obstacles proved weightier and more daunting.

In a preamble to the production, Mr. Ebert states: "Like so many great reformers before and after them, (Gluck and Calzabigi) settled for the conventional visual image of their own period. The story line of *Orfeo ed Euridice* is self-evident. Our performance will try to highlight the personal conflict, the psychology of the story in a setting of definite visual images avoiding all superficial romanticism." Leaving aside, as far as possible, its many question-begging elements ("self-evident," one of the enduring myths about the power of art and the artists?), we find that in practice Mr. Ebert's words translate into one of those musically insensitive Production-With-A-Viewpoint, that rob the audience's imagination of its powers of choice by strait-jacketing its responses.

Ingrid Rosell's single set is a white marquee, stripped of all stage properties apart from a two-tiered small bandstand. Light and slide projections play through the canvas—is it an in-joke, or an accident, that the many heads of Cerberus all bear a definite resemblance to the famous cartoon of Offenbach? Dress is 18th century, with realistic peasants, the Happy Spirits wimpled like French provincial nuns, and Cupid got up as a *commedia dell'arte* pierrette in scarlet. Much is lost, and very little gained, by ignoring the detailed stage instructions in both the 1762 Vienna and 1774 Paris editions of the opera. What we see often goes hard against the sense of the notes and the words. In the first ten minutes or so there are some ripe examples of Mr. Ebert's cavalier production. The curtain rises with the first bars of the overture, thus sacrificing the contrast between its formal, ceremonial C major and the tragic C minor of the first chorus, which is when it ought to rise. In an absurd little pantomime Eurydice comes on stage and then drops to the ground before our eyes, soon to be addressed by the chorus as "quest'urna funesta." Had the opera been played in the language of the audience, nonsense of this kind might have been a little harder to perpetrate.

Orfeo exists in three authentic and several other forms. Scottish Opera claims this as the "Paris version" (thus ignoring the essay in the company's yearbook—modesty forbids me to name its author—explaining why they should not). What is actually given is one of those 19th-century "composite" scores—a mixture of 1762, 1774, and Berlioz's 1859 version for Pauline Viardot, back-translated into Italian. But Mr. Ebert and the conductor Alexander Gibson have left their own marks on the score. Three acts are collapsed into two; the Dance of the Furies is brutally wedged into the start of what should be Act 2, thus ruining the grandeur of its opening and excising the first offstage sound of Orpheus's lyre; chorus repeats are cut and ballet airs reordered. The dance episodes are allowed to make little effect. If Mr. Ebert was seeking a swift, concise, fast-moving *Orfeo*, as it seems he was, why not give the hour-long Vienna original, unadulterated, or even "pure" Berlioz, in the French that Dame Janet declaims so nobly?

It was disappointing, in sum, that a great and important opera somewhat neglected of late did not make here the triumphant return to the repertory it so fully deserves. Yet for the performances of its three principals the production is still worth seeking out, and is even notable for its communication of "the personal conflict, the psychology of the story." There is a convincingly emotional Eurydice in Margaret Marshall, ravishingly sung; Marie McLaughlin's piquant glances and full-bodied way with Cupid's music are delightful. Here are two "real" characterisations to set beside Dame Janet's. On Tuesday Gibson's conducting of the Scottish Philharmonia was brisk, not without dramatic intensity, but it lacked the spaciousness, breadth, and steadiness of unfolding ideally required for this composer; much of the string tone was thin, and the oboes were apt to force their way to the surface to insistently. Excellent, fresh youthful choral singing — a pity so much of it came, in defiance of Gluck's actual requirements, from offstage.

In the week-long Scottish Opera season at Sadler's Wells next month *Orfeo* (without Dame Janet) will be given alongside *Don Giovanni*.

MAX LOPPERT

Cinema

Beware—images at work by GEOFF BROWN

Zulu Dawn (A) Classic Haymarket, Classic Oxford Street, Scene Leicester Square
The Frisco Kid (A) Warner West End, ABC Shaftesbury Avenue
Beyond Evil (X) Plaza
Daughter Rite Little Bit Ritzy

One word of warning: see any of the week's new films by all means, but do not see them close together. Otherwise your head will be unhealthily teeming with the most peculiar people. A crazily naïve Polish rabbi trekking through 19th-century America (and played, to boot, by Gene Wilder) will collide with memories of Friedrich Nietzsche prancing about Europe in search of devilment. And stampeding at their heels there'll be 25,000 Zulu warriors charging down on a modest force of Victorian Redcoats containing a good proportion of the British acting profession plus Burt Lancaster. You'll also have to cope with two American girls laboriously making the world's most inept fruit salad. Not a pretty mixture.

It's probably best to get the Zulus out of the way first. They appear in *Zulu Dawn*: not exactly a sequel to the 1963 film *Zulu* for the battle of Isandhlwana, which occupies the epic's climactic half-hour, took place earlier the same day as the battle of Rorke's Drift, in which Stanley Baker and his team acted so vigorously. The date was January 22, 1879. At Rorke's Drift, an isolated company of British troops spent an exhausting night successfully fighting off vast Zulu forces, winning 11 Victoria Crosses in the process — a victory the film celebrated with as much panache as the performers' stiff upper-lips made possible. But at Isandhlwana, at midday, the British Empire had received a mighty defeat. For the Commander-in-Chief of the Natal forces, Lord Chelmsford, who had engineered a war with the Zulu king against the wishes of his Government, was cleverly outmanoeuvred; his army, equipped with the latest in rifles and cannons, was quickly swamped by row after row of barefoot warriors with spears and shields.

It was an inglorious defeat, but the film's attitude towards events is hopelessly and horribly muddled. Care is taken to present Lord Chelmsford (Peter O'Toole) as a war-monger bent on cutting down the proud Zulu nation at any cost, and fatally following inflexible rules of strategy. And the script, co-written by Cy Endfield, director and instigator of the original *Zulu*, is peppered with worthy remarks of pacifist bent: Freddie Jones's bishop sagely and sadly points out that Tudor kings were as bloodthirsty as any Zulus; Paul Copley's private ironically laments, "Shot by a bullet from Birmingham!" when a lad is killed by a misaimed British rifle. But such concern for the horrors and stupidities of war is merely skin-deep.

Throughout, the film tries desperately hard to find things to celebrate in the British activities. Burt Lancaster (struggling intermittently with an Irish accent in his part as the one-armed veteran Colonel Durnford) is given a spectacular Hollywood-style death (perhaps it was written into his contract?). And Simon Ward, playing an aristocratic but upstanding volunteer, patriotically expends his last breath shooting down the warrior waving the captured regimental colours, which subsequently flutters down to a peaceful watery grave. As for the Zulus themselves, forced into a war just when harvest was coming, they're given the scantest possible treatment — useful for providing nice background footage for the opening and end credits but not much else.

*

After such a holocaust it's a positive relief to fall upon Gene Wilder's gentle Polish rabbi in *The Frisco Kid*, a rambling, overlong, sentimental, sometimes endearing comedy—undoubtedly the silliest film ever made by its esteemed director Robert Aldrich. As he showed in his recent romp *The Choirboys* Aldrich tends to handle comedy with all of the bluntness familiar from his action dramas, but with little of the accompanying potency. Fortunately Gene Wilder has the gossamer touch his director signally lacks; equipped with a curly beard as thick as his accent, he sails through the film's clumsier, cruder stretches with his customary grace and blue-eyed charm completely intact.

Scene from 'Beyond Evil'

In 1850 Avram Belinski, the most laggardly scholar in his seminary, is sent across the world to tend a congregation in a San Francisco basking in the Gold Rush. But first he has to find San Francisco. After being robbed by con men he proceeds waywardly across the continent, equipped with his cherished Torah, prayer shawl and very little else, eventually meeting up with bankrobber Tommy Lillard, stiffly played by Harrison Ford. They make an extremely unlikely pair of friends, but a picaresque adventure needs some kind of propelling device, and the plot's shapeless twists do bring about delectable absurdities. Take their capture by Indians. Stretched out for torture, Wilder starts intoning: Chief Gray Cloud approaches, peers at him and instead of uttering Indian imprecations barks, "Who the hell are you?" Provided you're in a light-headed mood, and are not too impatient, *The Frisco Kid* contains reasonable fun.

*

There is nothing reasonable about Liliani Cavani's *Beyond Good and Evil*, an Italian-French-German co-production made in 1977 and named after one of Nietzsche's most famous books, though the British distributors have telescoped its title into the more provocative *Beyond Evil*. But it is doubtful whether their bid for what used to be called the dirty raincoat trade will be successful. Patrons will certainly find a lengthy homosexual ballet performed in the buff on a carpet (supposedly one of Nietzsche's wild imaginings), but they'll have to wade through interminable scenes of pseudo-philosophical small talk to reach it.

Liliani Cavani, working with Robert Gordon Edwards, producer of *Death in Venice* and her own notorious *Night Porter*, has here assembled a gruesome fantasia on the life of the German philosopher. In her hands the turbulent creator of *Also Sprach Zarathustra* and the Superman concept becomes just a cheeky-faced roué variously called "Professor" and "Fritz" who takes much more opium than is good for him.

He is played by Erland Josephson in a manner recalling those naughty burgomasters in German sex films; Dominique Sanda appears as the enigmatic Russian Lou Salomé, who haunted the philosopher's emotions; Robert Powell wanders through as Dr. Paul Rée, Nietzsche's friend and follower, a shadowy figure presented here as an obsessive Peeping Tom. In careful hands an imaginative, probing film could be made from their triangular relationship, but Liliani Cavani steamrollers every element into boring unreality.

*

The American girls with their fruit salad appear in *Daughter Rite*—the better half of an enterprising double bill of independent films mounted by the Brixton cinema enticingly called Little Bit Ritzy. Not that there's anything remotely "ritzy" about *Daughter Rite*: written, edited and directed by Chicago film teacher Michelle Citron, it shares the same pared-down, questioning style of much vanguard cinema. On the soundtrack, the film-maker talks about her love-hate relationship with her mother, who has begun a new—and tedious—life in Hawaii, with nothing but death to look forward to and nothing but lost opportunities to look back on.

These sobering thoughts are accompanied by fractured images from the family home movies: mother and her two daughters walking along pavements, washing up, celebrating at parties. Interspersed are improvised scenes between two girls who explore the kitchen, bedroom and record collection of their possessive mother, currently residing in hospital. The scene where they attempt a fruit salad with some ageing apples and celery is actually the film's most exasperating part; for the rest *Daughter Rite* is a slim but striking study in the complex web of emotional ties and hurts that make up human relationships.

Sadler's Wells

Scipione by ANTHONY HICKS

Autumn, and the annual season of the Handel Opera Society (or "Handel Opera" as they now prefer to call themselves) is happily with us again. It opened on Wednesday with *Scipione*, the third revival of a production first seen in the Elizabeth Hall in 1967 and repeated with variations at the Wells in 1970 and 1972.

The story is pleasantly straightforward. Scipio, the young Roman general has taken Carthagena and captured two Spanish noblewomen. He is much attracted to the princess Berenice while his second-in-command Lelius prefers her companion Armira. Both men nobly restrain themselves from exercising *droit du vainqueur*: Scipion returns Berenice to her fiery compatriot and fiancé Luceius, passing on the ransom money of her father Ernando as a wedding gift, and we are left to assume Lelius makes an honest woman of Armira. Not a villain in sight, and yet Luceius's jealous pride and Scipio's conflicting emotions generate enough drama to keep Handel's inspiration at a consistently high level.

The present revival has two significant innovations. Contrary to normal Handel Opera policy, it is sung in the original Italian. This has the minor advantage of keeping the titterers quiet, but on the whole the loss of immediate communication with the audience seems a retrograde step. (No explanation of the change is given in the programme.) The second new feature is claimed to be the restoration of the original performing version of 1726.

Earlier Handel Opera presentations have included a strong admixture of items from Handel's heavily revised version of 1730, which included much music taken from other operas and converted Scipio from alto to tenor with consequent loss of vivacity. Unfortunately the claim is specious. True, Scipio's original arias are duly reinstated, but Armira's role is largely 1730 as before (with one aria, "Libera chi non è," in the wrong place and in a key unsuited to the singer): the sinfonias in Act 3 likewise follow the 1730 arrangement.

Such factors would be of no matter if the opera were powerfully cast, but this is not quite the case. There seemed to be little excuse for Anna Benedict's peaky Berenice, except perhaps first-night nerves, but one felt Sally Presant's initially lively Armira was unfairly dampened by the peculiar alterations in her role. The customary Handel Opera abridgements also took their toll, so that the usually stylish Brian Burrows (Lelius) could not recover from a wooden account of his first aria, having nothing but recitative left to him. It fell to the other men to pull the opera together, and this they did rather well. The two castrato roles were taken by counter-tenors. James Bowman, in the title role, seems to have got over recent difficulties: there were some clipped notes at first, but the old power and passion soon reasserted themselves. In the lovely "Pensa o bella" his command of the exquisite manner was undiminished. The slightly more refined tone of Kevin Smith (Luceius) did not penetrate the Wells acoustic so clearly, and the odd note was forced; but his heroic "Cedo a Roma" was sonorous and exciting enough. Ian Comboy (Ernando) combined his full and pleasing bass with a convincing stage presence.

Charles Farncombe, directing the Handel Opera Chamber Orchestra, allowed one or two *andante* numbers to drag a little, but most tempos were apt and the more contemplative moments received due weight. David Thompson's production was less fussy than on previous occasions, if my memory serves me correctly.

Festival Hall/Radio 3

Eclat/Multiples by DOMINIC GILL

Like many other of Boulez's major works, *Eclat/Multiples* has grown over the years, piecemeal and "open-ended," elaborated fold upon fold, from a much smaller first inspiration. In 1960 at the ISCM Festival in Cologne, Boulez introduced a piano solo that was then a new addition to *Pli selon pli*—at a time when *Pli* itself had not yet grown to its final full-orchestral size. By 1965, that piano solo had grown into *Eclat*, an eight-minute work for 15 instruments, and continued to expand until it took its present form (still unfinished, open-ended) in 1970.

Wednesday's performance, given by the BBC Symphony Orchestra under the direction of the composer, had originally been planned as another "premiere" of *Eclat/Multiples* in its latest, newly expanded form—still more sections were to be added to the original *Eclat*, "multiplying" its musical ideas and adding new instrumental groups one by one. So far, however, Boulez has completed only one of these continuations, and it was not added: so we heard, unaltered, the same score that was unveiled in London, almost to the day, nine years ago.

Unaltered: but with the benefit of perspective still more exciting. It is a magical kaleidoscope of conversations, c o l l i s i o n s, contradictions—brittle, skittish, poignant, and always surprising. *Eclat/Multiples* is constructed according to characteristic principles of antinomy — contradictions, paradoxes—moving outwards in ever-widening ripples of contrast. There are the obvious contrasts of timbre, dynamic and speed; there are those less plain—of movement with stillness, regularity with irregularity, sound with silence: and there are too (as the composer explains) more abstract elements still, which juxtapose fiercely contrasting attitudes of mind, modes (and moods) of perception, ways of listening to sound itself.

A team of nine soloists play non-sustaining instruments, including piano, cimbalom, harp and guitar, against, or in counterbalance to, a growing orchestral body of instruments which sustain their sounds. The scenes flash quickly past, but many of them are small miracles: of compression, of delicate, strenuous activity, of sudden, quicksilver expansion, and from time to time of dark and sonorous weight. Of the soloists, the pianist Michel Béroff, and the cimbalom player, the redoubtable Siegfried Schmid, deserve special mention for the vigorous fine-drawn accounts they gave of their virtuoso parts.

An exhilarating and, for the curiosity the work's eventual completion arouses, tantalising revival. The rest of his programme Boulez devoted to two classics of this century—it may be too soon yet to say "other classics," though one is tempted to believe that *Eclat/Multiples* will join them: Schoenberg's piano concerto, and the Three Orchestral Pieces op. 6 of Berg.

IBA name deputy director of radio

The Independent Broadcasting Authority has appointed Major-General P. A. C. Baldwin to the new post of deputy director of radio. He will be joining the IBA staff on November 27.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000

Friday October 26 1979

Reforming the stock market

THERE WAS a certain poetic justice in the way that the Government's decision to challenge the Stock Exchange rule book in the Restrictive Practices Court was overshadowed this week by the lifting of exchange controls. In any other week the Government's unyielding attitude on an issue so important to the City would have provoked a louder outcry from stockbrokers and jobbers. In the event most members of the Stock Exchange were too preoccupied with immediate events to give much thought to the root and branch reform of the Stock Market that is now on the cards.

The more far-sighted members, meanwhile, may have realised that the events of this week have made fundamental changes in the dealing system inevitable, irrespective of the Restrictive Practices Court.

Business opportunities

With the abolition of exchange controls a vast area of new business opportunities has opened up for London's financial community. Even while exchange controls existed, the pressure of international competition and the broadening of horizons of British investment institutions had been putting a strain on some of the stock market's most cherished traditions. Now these pressures are bound to intensify.

Fixed commissions and dual capacity are closely interrelated. In fact, fixed commissions were originally introduced to ensure that the separation between jobbers and brokers was not evaded. While few brokers or jobbers would want to see negotiated commissions introduced, there is far less unanimity on the more fundamental issue of dual capacity.

Serious disadvantage

The separation between broking and jobbing has put some Stock Exchange members at a serious disadvantage compared with other market makers trading internationally. A few jobbers have argued that their inability to deal directly with clients has lost them much of the market in gold shares, which they had once dominated. Some brokers have been hamstrung in selling British securities to foreign clients by the need to put all transactions through jobbers and by their inability to take positions. Much business has been lost to American, Swiss and German investment banks.

Lack of capital and market-making experience has also cut London brokers out of the Euro-bond market almost entirely. While exchange controls isolated British investors from the rest of the world, these may have been theoretical gripes. But as their clients demand international services, the pressure for change is bound to grow. Indeed, it has been argued already that logic points to closer links between large brokers and merchant banks as their corporate finance and investment management activities overlap to an increasing extent.

If London is to re-establish itself as the world's most important international securities market, fundamental changes in the relationships between brokers, jobbers and merchant banks will have to take place. At the moment, the rules of the Stock Exchange prevent these changes. But the Stock Exchange is justified in arguing that the Restrictive Practices Court is not the right body to decide, on the basis of narrow and legalistic criteria, how the rules should be reformed. In any case, the Court has powers only to ban particular restrictions. It has neither the authority nor the knowledge to propose alternatives.

Preferable to bans

A voluntary and evolutionary reform of the dealing system would clearly be preferable to bans on existing rules which may be imposed by the Court. But the majority of Stock Exchange members are, at the moment, opposed to fundamental change. The challenge which the Government has posed for the Stock Exchange should help to sharpen the issues and to inject a sense of urgency into the discussions on improvements to the dealing system that have been going on for years. The amendment to the Court's procedure that the Government has proposed would allow a short breathing space between any judgment and the consequent reforms. While the Court may still be the wrong body to investigate the Stock Exchange, at least the investigation comes at the right time.

Danes vote for the centre

SOCIAL DEMOCRACY, as this week's Danish election once again confirms, remains deeply rooted in the countries of Northern Europe. But few Social Democratic parties have recently managed to gain the elusive Parliamentary majority enabling them to exercise unfettered rule. In Sweden the long reign of the Social Democrats is over, and while they remain by far the largest party, they were once again pipped at the post by the Centre-right in last month's elections. In the Netherlands, the Labour Party has the most seats in Parliament, but it too is in opposition. The West German Social Democrats need the support of the Liberal FDP to govern.

Strengthened

In Denmark, the Social Democrats have emerged strengthened from this week's poll, with a gain of four seats. They now have 69 seats in the 179-member Folketing, on the basis of just over 38 per cent of the votes cast, and are by far the largest party. They have climbed back from a low point in 1973 to re-establish themselves clearly as the dominant force in Danish politics. But they are a long way from an overall majority. Thanks largely to the Danish system of proportional representation, they have never been able to govern alone, and this time, too, Mr. Anker Joergensen, their leader, will have to seek coalition partners.

There is no natural left-wing grouping for Mr. Joergensen to fall back on. Theoretically, he could achieve a majority by recruiting the support of two other left-wing parties, the Radicals and the Socialist People's Party. But he will be reluctant to lean too heavily on the Marxist-leaning Socialist People's Party, which is against membership of NATO and the EEC—both of which organisations the Social Democrats and the Radicals support. He can be expected, therefore, to try to win the backing of at least one centre party to give him the Parliamentary support he needs to tackle the country's pressing economic problems. Once again, as now in Germany and until recently in the Netherlands, the pure milk of Social Democracy would find itself diluted with a little centrist liberalism.

Central issue

Such a solution would not make it any easier for Mr. Joergensen to win the support of the trade unions, support on which he is counting in order to introduce an incomes policy. This was the central issue on which Mr. Joergensen's last Government fell and on which the election was fought—with the Social Democrats arguing for co-operation with the unions and the non-Socialists for confrontation. Although the election result would seem to have vindicated Mr. Joergensen's approach, his continuing need for support from his right will both make the unions suspicious and inhibit his own policy formation. Clearly, however, wage restraint will be needed if inflation and the balance of payments deficit are to be tackled and export competitively restored.

In this sense, the elections have not solved very much. But there may be a more general significance to the results. Several of the smaller parties that have mushroomed since 1973 fared badly, the Communists disappeared altogether, losing all their seven seats. If the reduction of the number of Parliamentary parties from 11 to 10 is the start of a trend, it could be a pointer to greater stability in the future. Few observers of the Danish scene would deny that the country could be better and more easily governed with fewer parties in the Folketing.

Significant

The second possibly significant trend was the decline in support for extremes on both right and left, in favour of the centre. As in recent elections in all the other Nordic countries, growing support for moderate conservatism appears to have been confirmed in Denmark. That, however, is not to deny Mr. Joergensen his victory. His party went into the election without expecting to gain seats and without a very clearly defined programme. There can be no doubt that Mr. Joergensen's appeal to the Danish electors was a decisive factor. It has been very much his personal victory.

British Steel prepares its £300m sacrificial lamb

BY ROY HODSON

THE British Steel Corporation is showing a new toughness born of desperation in its hard decision yesterday to suspend iron and steelmaking at its 3m-tonnes-a-year capacity Ravenscraig plant in Scotland unless the unions can agree who should man the new Clyde ore terminal.

The £100m terminal has been idle since it was opened in May by the Queen Mother. Although £300m has been spent to make Ravenscraig one of the best and lowest cost bulk steelmaking units in Europe it is being steadily forced out of business by the expensive ore supplies of uncertain quality it is having to muddle along with.

Mr. Robert Scholey, deputy chairman and chief executive of British Steel voiced the anger felt by senior managers in the corporation yesterday when he said of Ravenscraig: "Here it is flat on its bloody face just when we ought to be making it go."

Rumours have persisted for some time that British Steel might screw up its courage to close a major steelworks. A closure would be the quickest way of cutting surplus capacity "at a stroke" from the corporation's total production and reducing the financial losses. Ravenscraig has now been placed in the position of the sacrificial lamb through the inter-union dispute. The works would lose £70m in the financial year 1979-80 if the present situation were allowed to persist.

Radical changes

But the Ravenscraig drama should not be allowed to divert attention from the fact that British Steel is moving into a new crisis which is likely to force radical changes in the size and shape of the state-owned steel business.

"We are chasing the British steel market downwards," said one senior executive, gloomily contemplating the latest forecasts that industrial demand for steel will fall during the next 12 months because of structural changes in car production, shipbuilding, and engineering.

The overseas market forecasts offer no comfort either. Mr. Lenhard Holschuh, general secretary of the International Iron and Steel Institute, reported last week that steel producers must expect demand for their products to be lower during the next decade, particularly in the industrialised nations, and this trend will mean a fall of almost 1 per cent next year in western world steel demand down to 480m tonnes.

During the last five terrible years British Steel's annual production of liquid steel has declined from nearly 21m tonnes to just above 17m tonnes. In the same period it has invested £2.7bn, which is more money than any other steel company in the world has spent, and has lost approximately £1.2bn. Furthermore losses are continuing to mount at a rate of approximately £1m each working day.

The implications of the new British and world demand forecasts are that British Steel will be forced to cut production further to somewhere between 15m and 17m tonnes, and that the chances of securing a proper return upon the huge recent capital investment will become even more remote.

The basic pressure upon the corporation from adverse market conditions coupled with its heavy burden of debt is being exacerbated by other pressures. Some are unavoidable. Others can best be described as home-grown.

The most direct pressure is that now being applied by the government through Sir Keith Joseph, Industry Secretary. His civil servants together with Treasury colleagues are daily checking the ledgers and counting the candle ends at British Steel. Their instructions are to stop any of the new money allocated for essential investment in plant, either to complete major projects or to improve older works, being used to finance accumulating losses. No other nationalised industry has ever been forced into such a tight harness.

Sir Keith's stated intention is that the corporation should take action to reverse its fortunes so that it is at least breaking-even as it enters the next financial year 1980-81. He set the target in July. Now it is probably unattainable. The depressed steel market, the poor outlook for sales, and the lesser but significant effect of the recent engineering workers' dispute, have together seen to that.

Inside British Steel the stress of failure is beginning to tell. Relations are strained between Sir Charles Villiers, chairman, and some of his top management following the boardroom row at the end of June and the rejection by the board of his new strategy for the corporation.

Sir Charles believed—and he still believes — that the way to tackle the crisis in the business is radical surgery. He asked the 20-man board, which includes civil servants and worker directors, to approve a new British Steel Corporation structure. Responsibility for making profits would have been decentralised from British Steel headquarters at Grosvenor Place, London, to about 15 regional profit centres comprising groups of works or, sometimes, individual works. Sir Charles would have enhanced his own executive authority in the new structure but some of the corporation's top managers would have lost their jobs or been transferred. The board turned down the chairman's plan by a consensus without taking a vote.

Sir Charles is unrepentant and is continuing to press for decentralisation in one form or another. In part the friction between the chairman and his executive has been caused by the differing styles and backgrounds of the people concerned. Sir Charles is a finance and marketing man who since his appointment in 1976 has stressed the need to sell British Steel's products with more vigour. Most of the executives are career steelmen whose training and backgrounds are closely linked with the great steelmaking centres. During the past few years they have had to carry the heavy burden of bringing into production the new iron and steel making investments that were approved early in the 1970s when British Steel was being re-planned to make more than 30m tonnes of steel a year.

Impact on morale

Dissension within British Steel headquarters is now having an impact upon morale among managers in the regions. Some feel that they are remote from the power politics at Grosvenor Place and are unable sufficiently to influence the performance of their own plants. The present management structure of the corporation requires that contact between individual works and national headquarters should be made normally through the powerful managing directors who are in charge of the six corporation divisions covering Scotland, Wales, Scunthorpe, Sheffield, Teesside, and Tubes.

The gesture of a major works closure, whether for a short period or for ever will not remove British Steel's basic difficulties. Indeed, such an action would probably create as many problems as it solved. A number of steel mills would face severe difficulties if their supplies of semi-finished steel from Ravenscraig were cut.

It would be difficult for the corporation to proceed with the planned closure of steelmaking at Shotton, north Wales, unless Ravenscraig steel is available as a substitute.

A final cure for British Steel's ills can only be achieved by tackling all the things that are wrong with the corporation across a broad front. They are:

● OVERMANNING: The corporation still employs more men to make a tonne of steel than any other big western producer. Progress is being made on that problem. The workforce has been cut from 223,000 to 184,000 since 1974. A further 15,000 jobs might be shed in the coming year if closure plans are accepted by local work forces, including the ending of iron and steelmaking at Corby and Shotton.

● OLD PLANT: Productivity is unacceptably low in the majority of the middle-aged and old British Steel works where manning agreements have been in force for many years. Some local improvements have been obtained recently, however, by managers talking tough and emphasing the bleak future facing the corporation.

● THE CRAFTS PROBLEM: British Steel managers admit that they have done no more than chip at the problem of low productivity among craftsmen. Nine craft unions are represented on the national craftsmen co-ordinating committee which negotiates with the corporation. It is an unwieldy structure. Demarcation rules are regarded by the corporation as unnecessarily restrictive.

● USE OF OUTSIDE CONTRACTORS: The conventional union view that a nationalised corporation should keep its own work "in-house" is costing British Steel dear. The corporation intends to try to make more use of contractors to handle peak load jobs while keeping an adequate maintenance staff for basic load work.

● COMPETITION FROM IMPORTS: The flat-rolled products market in Britain has been shared with imports for several years with British Steel retaining possession of about 55 per cent. Now there are disturbing signs that imports are also making new inroads into the markets for bright bars and certain long products such as beams, sections, and bars. The reason is that British Steel is leading western world steel prices by margins of up to 15 per cent across a wide range of its products. The corporation's prices are now so high that it has no latitude left to minimise its losses by imposing further price increases until there is a general revision of European prices.

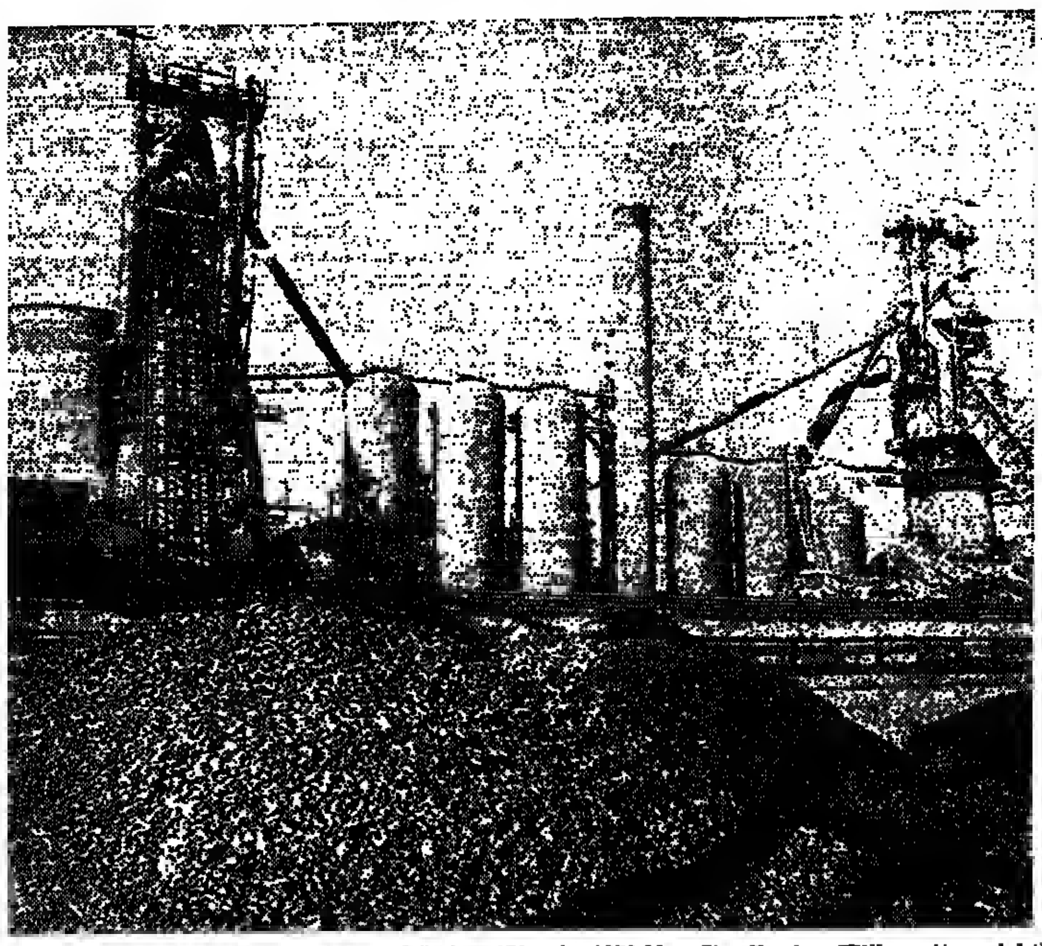
Some things, however, are going right for British Steel. They are:

● Introduction of New Plant. Productivity is no longer a problem for the corporation among the process workers at the new plants. Manning agreements have been secured in advance of start-up at all of them since 1977.

● Economies of Scale. British Steel is the fourth largest steel producer in the western world and the largest in Europe. If the new Ravenscraig, Teesside, and South Wales bulk steelmaking units can be heavily loaded when the market improves again British Steel should be in a powerful position vis a vis European competition in the 1980s as a low cost producer.

● Home Market Loyalty. In spite of all the pressures from imports, and British Steel's high prices, the home market has so far remained remarkably loyal to the products of British Steel and the British private sector producers. In terms of the range of so-called European Coal and Steel Community products (most basic steel forms) British Steel still holds 64 per cent of the British market, the private sector has 19 per cent, and imports have only 17 per cent. By comparison imports of ECSC products take 40 per cent of the West German and French markets.

But the corporation is faced with continuing heavy losses and a declining market and has little time left to maximise use of its assets.



● Ravenscraig works, in danger of losing £70m in 1979-80. Sir Charles Villiers (top right), BSC chairman—a belief in radical surgery. Mr. Robert Scholey, chief executive (bottom right), says of Ravenscraig, "Here it is flat on its bloody face just when we ought to be making it go."

MEN AND MATTERS

Presidential phone-in

It is not every day that the leader of a nation of 75m people telephones across the world to a radio station to pay compliments. This, however, was the remarkable action on Tuesday night of General Zia-ul Haq, President of Pakistan. He suddenly felt the urge to speak to Athar Ali, a Pakistani member of the BBC's Urdu Service who had been interviewed on the World Service programme "24 Hours." Apparently Zia simply wanted to let Ali know that he thought the interview "balanced and objective"—itself surprising in view of the decidedly mixed reception the general normally accords the World Service. It is even more memorable that the call was made at 2.30 a.m. Pakistan time.

Whether the plaudits of such an influential early-hour listener will reinforce government doubts about the wisdom of cutting the service remains to be seen.

"Roughly translated it says You've never had it so good!"

Family favourite

The lifting of exchange controls will be good news to everyone anxious to take his Krugerrands abroad; it is also good news for Perth chartered accountants Henry Rae and Court, who circulate a newsletter called Clinet Alert.

The Alert for October is full of morbid preoccupations. It tells of the abolition of death duties in Western Australia from next January—ann in the same breath adds that Australia is "nearly free from probate duty." The arrangements in fortunate Western Australia will, from the New Year, look even more favourable. "It may," says the Alert carefully, "be an appropriate time to encourage parents, friends or relations who are resident overseas to come and live in Western Australia to avoid the severe burden of death duties . . . . The overseas assets could slowly be brought to Australia . . . ."

The Alert then moves quickly on to the need to deal with the "old problems" of inherited wealth by judicious and timely will-making. Aged parents arriving in Perth with their heirloomse and being immediately rushed from airport to lawyer will come to see why Western Australia calls itself "The State of EXcitement."

Ryan's return

The end of the ITV strike, with agreement to use electronic news gathering equipment, has solved a year-old problem for Thames Television. I learn that Nigel Ryan is to become director of programmes—a job that has been vacant since Jeremy Isaacs resigned last year.

Ryan, 49, is now vice-president of NBC news in New York and produced the acrimonious Frost-Kissinger encounter. For months, Thames has been trying to lure him back to Britain (he was editor of ITN news for ten years until 1977). But he refused to consider the offer until the barricades against new technology came down.

Thames declines to say what he will be paid: at NBC he is getting $75,000 a year. Ryan had also been mentioned as a likely candidate for the controller's post at the TV fourth channel. But still in the running is Isaacs, now working for the BBC as a freelance.

Captain's kit

Invited to "wild foods buffet" at the Royal Entomological Society in Kensington, I wondered whether dried ants would be on the menu: they are said to be quite tasty. However, the occasion proved to have no connection with insects.

Two months after leaving the army, a 30-year-old former captain, Nick Steven, had raised the flag of his own private enterprise in the society's lecture hall. Steven claims to have produced the first civilian "iron ration" kit—the type of emergency supply which last winter's snowbound motorists might have valued.

"The idea came to me when I was on an S.A.S. course," he told me. Into his pocket-sized "Survival Pack" he has fitted enough concentrated food for 24 hours, fuel to heat soup, and even a magnetised tin-opener which converts into a rough-and-ready compass which might help you to discover which way you are facing on a lonely road in a blizzard.

While another ex-soldier showed how to make rope from grass and sparks from flints, the wild food was served.

It turned out to be far from wild, having been prepared by Steven's mother and brought down from their home in Cumbria. His brother was pouring out mead and the publicity girl proved to be a cousin. "It's all a bit incestuous," she said. "Of course, it's a matter of survival."

For pity's sake

An out-of-work Argentinian journalist has found a way to crack the defences of a woman prime minister. He wrote to Portugal's Maria de Lourdes Pintasilgo asking for an interview, and ended: "Unless you agree to see me I shall commit suicide."

Premier Pintasilgo was touched. But she is now distinctly unamused that the interview has appeared in Interviu, the fastest-selling magazine in neighbouring Spain. The headline "A feminist in power" jostles with such features as "Plastic surgery—breasts made to measure" and "Sexy wedding in Ibiza."

Her Press department is now trying to explain away how the thoughts of the high-minded Senorina Pintasilgo, Europe's second woman premier to date, appeared in a racy Spanish magazine for men in the same week as she put off an interview with the BBC.

Martyr's role

The South-east Hertfordshire wing (as you might say) of the Royal Society for the Protection of Birds is having a grand Christmas raffle. The ticket, suitably adorned with one of our feathered friends, offers some splendid things for the winners—including "Third Prize: Fresh Turkey."

Observer

هكذا من الأصل

POLITICS TODAY

The joker in Labour's disarrayed pack

PARLIAMENT resumed this week in a relatively subdued manner. The Government's aim is to use the next few months to dismantle or amend as much Labour legislation as possible, and then to assess its position before the new session next autumn.

There seems to be no reason at present why it should fail in this limited objective. This doas not mean that there will he no excitements — the continuing saga of high interest rates promises to be one of them, and perbaps Rhodesia and the British contribution to the European Gommunity budget as well. But for tha moment the Government is safe. The size of its majority bangs beavily over Parliament. There sbould be no major challenges in the next few months either from within its own ranks or from the Labour Party. The crisis which many people expect, and wbich arise in the lifetime of every Parliament, seem to have been postponed. Labour on the whole appears to accept that position.

Good time

On the face of it then this ia a good time for the Labour Party to he examining its own future. It eeems to me, however, that it would be unwise to attach too much importance to the Commission of Inquiry that was finally established this week. If there is one thing wrong with the Labour Party above anything else, it is that it is inefficient and lacks money. With those failings go certain others: it is a low aspiration, low performance party which tends to equate penury, and even shabhiness, with virtue. Everything that it does is done on a shoestring.

A Gommission of Inquiry that identified those faults and proposed remedies would he welcome indeed. Yet tha chances of that happening are remote. The idea of calling in McKinsey is anatheme: so, too, is the suggeation that the Party should seek funds for in-depth studies of public npinion and electoral behaviour. Those Shadow Ministers whn predict that the Commission will still be reporting in the year 2.000 may be exaggerating, but ona sees what they mean. The Commission of Inquiry threatens, or promises, to be quite as inefficient as the Labour Party.

Lest it be thougbt that those views are peculiarly one'a own, it sbould be said that they are equally to be found among the Labour Left. Neither Mr. Neil Kinnock, the Party's rising star, nor Mr. Michael Foot, wbo at leaat once belonged to the Left, appear to have much interest in the current arguments. Mr. Dennis Skinner, for what it is worth, is actually said to bave voted against the Gommission being established.

The real opposition to the Inquiry, and more especially to the Commission'a composition, bas come from tha Labour Right. Yet even here there is an element of disingenuousness. Labour is meant to be a Left-wing party, and it is not surprising that parts of the Left ahould seek to assert themaelves from time to time. The Right could have pre-empted them hy being more efficient and thinking more about the future itself, hut the fact is that it did not.

As for the position of Mr. Callaghan, it is not easy to be clear precisely wbat it is. Certainly the idea of his presiding over a period of reform and then banding over the sort of Lahour Party he would like to see in the 1930s to his successnr sometime next autumn now seems to he out. Nothing is likely to happen as cleanly as that.

An old Vicky cartoon from the Evening Standard.

Mr. Gallaghan is also suffering a decline in anthority. He is attacked by the Right for being weak and petulant, and disregarded by the Left for being too conservative in his views and too autocratic in his bebaviour. His real problem is that no-one seriously believes that be will be leader at the time of the next general election: hence be has little authority to wield. But that in turn points to a deeper trouble. Without authority or leadership, it is difficult to see how there can he party unity. The disarrey in the Labour Party therefore seems likely to continue for as long as Mr. Gallaghan remains in his present office. It would be rash to assume, however, that unity could not again be establisbed or that the Party cannot again win an election.

Anyone wbo doubts that may like to look at what bas happened in the past. There is now a remarkable opportunity to do so with the publication of Mr. Philip Williams'a biography of Hugb Gaitskell*.

It should be said at once that I agree with Mr. Michael Foot wbo, in the course of an at-times devastating review in last week'a *Listener*, observed that Mr. Williams has a wonderful capacity to assemble fresb evidence, and then draw the wrong conclusions. Mr. Foot, of course, has a vested interest as the biographer of Aneurin Bevan and an opponent of Gaitskell, and one looks forward to the longer refutation that he has promised. Yet that does not stop Mr. Foot from being sometimes rigbt. The main point is that the book should not be read as a paean of praise to the late leader, but as a history of the Labour Party of his period and to some extent of British politics.

New evidence

Much of the evidence is entirely new. For example, it has long bean assumed that the great rift between Bevan and Gaitskell came over the imposition of charges for dentures and spectacles, with Treasury officials insistiog thet the charges must he made. Mr. Williams weot to the officials concerned to check. He was told that they would have been quite content to raise the money in anotber way: the sum involved was relatively trifling. Here Mr. Foot is right: it was an example of Gaitskell provoking a rift that could have been avoided, although Mr. Williams comes to a different conclusion by quoting with approval the Gaitskell belief that it was, even at that time, "a battle for the soul of the Party." Gaitskell had written in bis diary in this context: "I am afraid that if Bevan wins we shall be out of power for years and years."

There is no shortage of such revelations. Treasury officials, for instance, were against the extent of the Labour Government's rearmament programme in 1950. These things don't change: the Treasury bas been resisting high levels of defance spending ever since and is just as active today.

In fact, the moral of the hook may well he how little in politics ever does change. For the Labour Party in particular there ia the question of class. Gaitskell was opper middle, his father being in the Indian Givil Service. Already at nniversity he was accused by members of his own family of betraying his class when be supported the minars' strike in 1926. Yet to some in the Labour Party it was precisely his class origins that made him suspect, though it is one of the achievements of Mr. Williams's book that it sbows bow close his relations with the miners became. This class division ln the Party persists to this day and with it the division between intellectuals and the rest. But in the end Gaitskell showed that it could he overcome.

There is also the metter of sbeer personal rivalry. Mythology has it thet Gaitskell and Bevan represented such different strands in the Party that a major collision was inevitable, and it is certainly true that while Gaitskell was more the civil servant if not quite tbe desiccated calculating machine, Bevan was the romantic. Yet on the evidence of Mr. Williams's book there was a good deal of Gaitskellian plotting from a very early stage. Gaitskell had quickly apotted Bevan as a potential Labour Prime Minister in 1960. Much of wbat be then did could be construed as a campaign to stop that happening.

Not least, Gaitskell had his failures. The most conspicuous was his inability to change clause four of the Party Constitution concerning State ownership. Mr. Foot takes the view that be sbould never have tried and is at least consisteot: be also believes that the Party Conference ahould not be bothering its head now trying to change the constitution on other matters. Sucb attempts, he thinks, always lead to trouble. Yet a rather different conclusion might he that the Labour Party can get up to all sorts of extraordinary manoeuvres, and still recovar.

Paradox

Nothing that has happened in the six months since the General Election, including the Brighton Conference, has been anything like as bad as what happened in the Gaitskell period much of the time. As a senior Sbadow Minister recalled the other day: "People used to spit at Hugh and refuse to eat in the same room." Brighton was not like that at all.

There may he also another paradox. Labour can unite and still lose. In 1959, Mr. Williams notes, Gaitskell came as close to achieving party unity as Labour ever can, yet the Party went down to its heeviest General Election defeat since the war. The lesson may be banal, but it is at least clear. It is that on the whole oppositions do not win electiona, but Governments lose tbem. Before tbe 1959 election Harold Macmillan remarked that the problem with Gaitskell was that he missed ell the fun of opposition by behaving as if he were in Government. But the real problem in 1959 was that Mr. Macmillan was still a winner almost irrespective of what the Labour Perty did.

It secms to me that there is only one way in whicb this general rule about the Labour Party holding together in the end end governments losing elections rather then oppositions winning may cease to be valid, and that is constitutional change.

What if the Conservatives were to sit down at the end of the present session of Parliament and, in assessiog what to do next, were to consider changing the electoral and parliameotary systems Reform of the House of Lords is one possibility, greater blocking powers perhaps, direct elections, maybe even with proportional representation. These are early days yet, but there are certainly some Tories with radical ideas and it is tbe case that what has ultimately always held the Labour Party together has been the maintenance of the two-party system. If that were to be relaxed, all sorts of consequences could follow. Lahour leaders ought to watch out; after all, it waa their own party wbich re-opened the question of the future of the second chamber.

Meanwhile, as Labour legislation goes on being repealed, we can all sit back and enjoy Mr. Williams's book.

*Jonothon Cope, £15.

Malcolm Rutherford

Letters to the Editor

BL, the ballot and the buyers

From Mr. J. Bescoby

Sir,—Whatever is said about BL in the context of the ballot about factory closures and redundancies, it is surely the customers who will ultimately decide the company's success or failure.

The main problem for BL remains that of product acceptability. In the UK market, business customers increasingly are turning to foreign products and of the percentage (possibly less than 30 per cent) of private buyers in the new car market probably only a minority buy British. Some of the statements about BL from Government, management, trade unions and shop stewards seem to imply that if BL can only get its products right then the public will flock to buy them. Therefore, it follows, investment is necessary and urgently required. This argument, however, begs several questions and it is by no means certain that customers would abandon their present preferences and buy BL if new models became available. BL now has a very serious image problem: two decades of decline in market share, reorganisation, restructuring and industrial strife have produced a situation which inhibits buyer confidence and which cannot now easily be changed.

In any event, as Stuart Marshall pointed out in his open letter to Derek Robinson (October 20) "BL can only fight for higher market share in the next crucial year or two with what it has got." Of course the Mini Metro is due next autumn (though in the past the firm has had problems in keeping to its announced launch dates): but this car, when it is launched, will find itself fighting in the toughest sector of the market and will have to compete with the VW Polo, the Renault R5, the Fiat 127, the Ford Fiesta, and, of course, the Japanese. (Incidentally, I wonder why BL chose to meet this competition head on, rather than seeking a slightly different niche in the market.)

I urge Mr. Robinson to talk to potential new car buyers. Midland workers still have a residual loyalty to Midlands industries, but a cursory inspection of employee car parks in factories in Swindon, Southampton or South Shields will demonstrate my point with far greater force than this letter.

J. H. Bescoby
(Senior Lecturer).
University of Newcastle-upon-Tyne,
Stephenson Building,
Newcastle-upon-Tyne.

Alternatives for dockland

From the Leader
Greater London Council

Sir,—The chairman of Exhibition Consultants (October 23) has in fact endorsed all that I have been saying for years about the needs of London's docklands, although he may not be aware of it.

What I have constantly pressed for are an international exhibition centre; a trade centre; wide-ranging cultural facilities; and a multi-purpose sports centre.

It does not take a great deal of imagination to see that a world fair in 1987 and the Olympics in 1988 could fit very nicely into this pattern, whether fully realised or not. What with the encillaries to hoth, including the generators of economic activities and the social provision such as housing, the prescription is there for the biggest take-off in London since the aftermath of the Great Fire.

I am very conscious of the multiplier effect that even one major development would have; the confidence boost alone would be enormous. Thus I am at one with Mr. Montgomery, and the sooner what he end I both want can be done the better.

(Sir) Horace Cutler,
County Hall, SE1.

Farms and tax

From the Taxation Secretary
Country Landowners Association

Sir,—Mr. Sutherland (October 23) has quoted (out of context) a short paragraph from the Milk Marketing Board FMS unit's report No. 19, and alleged that I have made no relevant objection to the conclusion reached, but those who have studied the report know that it does not support Mr. Sutherland's case.

The addendum issued with the report points out that the purpose of the study was to examine trends in costs, returns and valuations over the four year period for which complete costings were available. The authors themselves point out that there is evidence that, more recently, the profitability of dairy farming has fallen in real terms, and they end by stating that the prospect for an individual farmer looking at his capital transfer tax liability today will be more bleak than the report conveyed.

C. R. Williams,
Country Landowners Association,
16 Belgrave Square, SW1.

The trend of profits

From Lord Kaldor

Sir,—Professor Hill (October 24) cannot have it both ways. We can either assume that industry follows (by and large) a pricing policy of adding the mark up to historic costs—in which case profits will not be swollen by "revaluation" surpluses in years of exceptional inflation, but profits excluding stock appreciation will show a shrinkage as compared with other years. Alternatively we can assume (per analogiam to the "rational exception hypothesis") that firms base their prices on replacement costs, in which case profits excluding stock appreciation—i.e., those in column (2) of my original letter of October 17—will be unaffected by inflation, whereas profits in column (1) will be swollen in inflationary years by the revaluation element.

The need for inflation cost accounting arose precisely because business firms base their mark-up on the actual costs incurred on the articles currently sold, and not on a calculation of what these costs would have been if they had been incurred now, instead of on their actual date. A comparison of the year to year variation in the profit ratios of columns (1) and (2) lends broad support to the assumption that there is a shrinkage in the "real" profit on account of inflation.

Of course it is possible that firms do operate on a replacement cost basis but that the relative steadiness of the figures in column (1) was the accidental result of two opposing factors—falling operating margins and rising revaluation surpluses—cancelling each other out. This is always a weak argument, particularly so in the present case in the light of the variations of column (2).

With regard to Professor Hill's last point concerning manufacturing industry I am not of course in disagreement. Indeed, I have expressed my views on numerous occasions, both in writing and in speeches, on the deplorable record of our manufacturing industry in relation to other countries. This is shown by the steady shrinkage of our net manufacturing exports (which threatens to become negative in the next few years) by the stagnation of production and productivity since the early 1970s and by the low profits earned, which are an inevitable consequence of these failures. These matters are not at issue. The point of my letter concerned only the ham-handed way in which the Treasury attempted to assign the blame to "trade union power" and not to the broader and more deep-seated causes of our uncompetitiveness, the origins of which go back to a much longer period than that covered by the recent upsurge of inflation.

Nicholas Kaldor,
King's College, Cambridge.

Furniture at auction

From Mr. J. Steel

Sir,—Mr. Beckman's concern (October 22) over the speculative orgy of such disparate objects as worthless bonds and antiques smacks of prejudice.

British antique furniture, for example, one of the major areas of antiques, increased in value between 1968 and 1978 by an average of 46 per cent per annum. The crash of 1974 saw an average drop in price of around 10 per cent which was quickly made good two years later.

Far from being at dizzy heights, however, much British mahogany furniture of the 1780-1840 period commands only a modest premium over the modern equivalent of equal quality. Early oak furniture, which is expensive, is only now returning to the values it achieved, in real terms, in the 1920s, while many highly decorated foreign and huge Victorian pieces could not be made today for their prices as antiques.

Both the volume and quality of antique furniture being offered in the London auction rooms at the moment is low and one would imagine it would not take a very big increase in demand for prices to move sharply upwards yet again. I very much doubt if there are many storehouses of fine English furniture waiting to be dumped on an inflated market. Talk to any provincial auctioneer and he will tell you that 20 years ago when Aunt Maud died he usually received postal instruction to dispose of the contents. Now it is more common for the family to arrive and take over anything of quality.

British antique furniture has been exported all over the world and, far from foreigners dumping it back on the British market the moment prices move upwards, British dealers are making expensive trips abroed to ship container loads bome.

John Steel.
Antique Gollectors' Club,
5, Ghurch Street,
Woodbridge, Suffolk.

Overseas students

From Dr. J. Bell

Sir,—Professors Hines and Portes (October 20) are two of the multitude of people rescued from the poverty of their home countries by their intellects and our university education.

This education is in great demand overseas and could be considered as an invisible export along with City activities and the highly-subsidised steel, shipbuilding and tourist industries. The Government is exerting pressure to make us test the market value of our universities. Excellent, it should have been done years ago.

In the department of Electrical and Electronic Engineering at the University of Aston this year our admission tutors processed well over 1,000 overseas applicants for 15 places in our first year entry. These students are required to produce bankers guarantees covering their fees and living expenses over a three-year period after a pessimistic view has been taken of inflation. Selection is made by demanding an almost impossible performance in "A" levels.

If we increase our fees by a factor of even as much as three — making £3,000 per annum—it would still not be a great fraction of the total cost to the student if air fares and vacation trips are taken into consideration.

As far as university staffs are concerned we will undoubtedly be lecturing to full classrooms still containing highly intelligent well-motivated overseas students. On average they will be rather more affluent than before. Possibly some will stay to help maintain our reputation for academic excellence and, dare we hope, join our internal wealth creating manufacturing industries.

J. F. W. Bell,
(Reader in Instrumentation, Late Professor of Electrical Engineering, RN College, Greenwich).
The University of Aston in Birmingham,
The Sumpner Building,
19, Goleshill Street,
Birmingham.

Commuter fares

From the Vice-Chairman,
Westminster Ghamber of Gommerce.

Sir, — The Central Transport Consultative Committee has warned the Transport Minister (October 16) that the proposed 20 per cent increase in fares by British Rail "may accelerate the decline of the working population of London." I entirely support this warning, but suggest that it should have read "will" accelerate the decline in the working population. Jobs will still exist in London, but people will not be able to afford to take them. These people will not "opt to take local jobs" because local jobs simply are not available in sufficient numbers.

The ever-increasing cost of travel to work has been a matter of concern to the Westminster Chamber of Commerce for some time. Early this year a working party, of which I am chairman, was set up to study all aspects of the problem and we are preparing a report to present to Government. Clearly it would be wrong for me here to anticipate that report, but it is worth mentioning that, within a 50-mile radius of London, many people—especially young people—are now on the dole for whom jobs are available in the central area. Certainly in the case of youngsters they did not "move" out of London but were moved to or were born in their present homes.

It is also worth mentioning that a 20 per cent increase in fares means, for the vast majority of commuters who are paying a standard tax rate, a 30 per cent increase in the sum they have to earn in order to pay their fares. The individual who now has to work five hours a week in order to pay for his season ticket — and many have to work more than this — will, in future, have to work six and a-half hours to pay for the same uncomfortable journey.

Robert Stevens.
Westminster Ghamber of Gommerce, Mitre House,
177, Regent Street, W1.

Non-executive directors

From the Chairman,
M & G Group

Sir,—Both Hugh Parker (October 10) and Geoffrey Owen (Lombard, September 27 and October 18) made good solid points. There is indeed, these days a virtually universal consensus that companies in general should have at least two non-executive directors on their Board, that these need to be men (or women) of high quality and, above all, that they should be genuinely independent of the executive directors and especially of the chairman.

The difficulty of achieving this desirable objective should not, however, be minimised. Many chairmen and managing directors do not relish the idea that their performance needs to be monitored in the interests of the shareholders, and those who are prepared to accept outside colleagues all too often recruit them from among their friends or associates. This has obvious advantages from some points of view but is equally obviously prejudicial to independence. For example, somebody who owed his position to the favour of the chairman would be far less likely to press a disagreement over principle or policy to the point of resignation.

It may well be unrealistic to expect that success will be achieved in the absence of legislation. The trouble with this solution, however, is that it might in practice be self-defeating because companies would be more likely to appoint mere puppets simply in order to comply with the statute. It is partly for this reason that City institutions, both individually and through the medium of the Institutional Shareholders Committee, have declared their preference for a more informal approach. But I do begin to wonder whether companies should perhaps be obliged in their annual report to lay more emphasis on the presence or absence of non-executive directors and give at least some evidence of their independence.

E. W. I. Palamountain,
M & G Group,
Three Quays,
Tower Hill, EC3.

Today's Events

GENERAL

UK: Ford workers present pay claim.

Mr. William Whitelaw, Home Secretary, visits Bolton and Oldham Conservative Associations.

Sir Geoffrey Howe, Cbancellor of the Excbequer, speaks et Sutton Goldfield Conservative Association dinner in the West Midlands.

Iostitute of Export prize-giving ceremony, Mansion House.

Mr. R. Bishop, Phoenix Assurance Go. chief general manager, speaks at Gbartered Institute of Loss Adjusters annual dinner, London.

Verdict on two TGWU officials accused of extortion during lorry strike, Kilmarnock Sberiff Court.

Overseas: Lord Carrington, Foreign Secretary, starts three-day official visit to Norway, meets Mr. Knut Frydenlund, Norwegian Foreign Minister, to discuss defence.

Mr. Roy Jenkins, European Commou Market Commission President, visits Egypt for talks with President Anwar Sadat (until October 28).

EEC refugee experts meet ln Dublin on Kampucbeao problem.

PARLIAMENTARY BUSINESS

House of Commons: Gharging Orders Bill, second reading. Limitation Amendment Bill, second reading.

COMPANY RESULTS

Final dividends: Arthur Bell and Sons. Interim dividends: George M. Callender. Clayton Son and Co. (Holdings). Dorington lovestment. Minster Assets. Scottish Ontario lovestment. Spong end Co. interim figures: Bradford (Rolst) (Holdings).

COMPANY MEETINGS

Esperanza, 77 Londoo Wall, EG, 12. English Association of American Bond and Share Holders, Salters' Hall, Fore Street, EC, 12. Sobranie, Goonaught Rooms, Great Queen Street, WC, 12.

Berec profit down £9m to £3.2m in first half

As foreshadowed in July, the Berec Group suffered a serious shortfall in the six months ended September 1, 1979, due mainly to industrial unrest in the UK and the continued closure of the Nigerian market.

Pre-tax profits of the group, formerly the Ever Ready Co., dropped sharply from £11.14m to £3.15m, reflecting a mere £293,000 against £7.46m contribution from overseas, losses of £45,000 against a £94,000 profit from associated companies and a downturn from £3.58m to £2.9m from domestic companies.

The directors say they are actively developing alternetive markets for products and are of the opinion that the first half's poor result will not be representative of the full year—profits then should be setisfectory.

	Six months 1879 £000	1978 £000
Oomestic sales ...	40,108	37,105
Overseas	58,404	60,224
Exports	20,679	28,786
Total sales	98,512	97,329
Domestic profit ...	2,904	3,582
Overseas	293	7,453
Assoc. losses	45	*94
Pre-tax profil	3,152	11,139
Tax	1,466	4,273
Minorities	344	726

* Profit.

Stated earnings per ehere are cut to 2.05p against 9.33p but the interim dividend ia being atepped up from 1.2005 to 1.3p—last year's total wae 4.9416p from pre-tax profits of £20.3m.

The outright purchase of the 35 per cent minority share holding in Everready South Africa on April 27 and the purchase of 35 per cent out of 39 per cent minority share holdings in Superpila SPA on October 12 are expected to contribute significantly to earnings per share in the year.

The board reports that the programme of capital expenditure is going to plan and since the year end has been apent.

See Lex

Macallan Glenlivet sees rise

Further improvement in profit is expected in the first half of the current year, says Mr. P. G. Shiach, chairman of Macallan-Glenlivet, the malt whisky distiller. Last year the midway taxable profits were £169,000 (£161,000).

But Mr. Shiach warns that higher malt, labour and energy costs will put severe pressure on margins in the next few months.

He adds that demand for new fillings is encouraging, with signs of a further advance in orders for 1980.

HIGHLIGHTS

The market was bouncing back in late dealings yesterday with equities just failing to go to a 1979 low as measured by the 30-share index. Lex looks at the factors affecting trading. On the company front Gill and Duffus forecast the first annual profits setback in 19 years due to a dull period for cocoa trading. Profits from Berec group are sharply lower but the company is expecting an improvement in the second half, and claims that the full-year outcome will be satisfactory. On the takeover scene attention focused on the oil sector where LASMO and Oil Exploration are finalising terms for a merger. On the inside pages the main company stories come from Peachey Property with its revaluation, Associated Leisure, Central and Sheerwood, McKechnie Brothers, Wm. Press, F. J. C. Lilley and Newman-Tonks.

Uniflex moves ahead

PRE-TAX profits of Uniflex Holdings, furniture manufacturer, rose from £234,000 to £271,000 in the six months to July 31, 1979, on turnover up from £10.15m to £13.81m. There is again no tax charge.

Earnings per 10p share are stated to have risen from 9.94p to 10.64p. A single dividend of 3.07084p was paid last year from record profits of £772,000 (£322,000).

Turnover up at Burns Anderson

Improved turnover figures for the first three months of the current year, were reported by Mr. William Burns, chairman of Burns-Anderson, at the annual meeting.

He told shareholders that he felt confident that they will again mark up a successful year.

The group's interests include motor vehicle distribution, shop and office fittings, and property investment.

British Sugar to spend £30m

BRITISH SUGAR Corporation will spend £30m this year improving its processing factories. It is the last part of a five-year expansion and modernisation programme costing £150m. Capacity at its 17 factories is 1¼m tonnes of sugar during the 120 day season.

Modernisation work completed will allow its Peterborough factory to produce white granulated sugar for the first time in 50 years. It is part of the corporation's plan to provide half Britain's sugar requirements by 1980.

Insurance Bill an extension of '74 Act

By Eric Short

THE INSURANCE Companies Bill, which had its first reading in the House of Lords on Tuesday, is a purely technical measure extending the Insurance Companies Act 1974 and the relevant statutory Instruments to Northern Ireland.

At present, a company transacting insurance business in Great Britain is authorised by the Department of Trade and if it carries on business in Northern Ireland, it is separately authorised by the Department of Commerce.

The Bill will repeal the separate, but virtually identical, insurance company legislation applicable to Northern Ireland. It does not amend the substantive provisions of the 1974 Act as they affect insurance companies.

Biscuit concern plan expansion

Shaws Biscuits is moving into a bigger factory at Gateshead, Tyne and Wear, under an expansion programme which will create 250 new jobs over the next three years.

Newman-Tonks midway rise

Turnover of the Newman-Tonks Group, Birmingham-based metal hardware maker, increased from £22.35m to £34.64m in the year ended July 31, 1979 and pre-tax profits were higher at £3.05m compared with £1.81m.

Tax takes £484,000 against £548,000 giving earnings per share of 17.56p (12.74p). The final dividend is 3.1585p lifting the total from 4.0535p to 4.6585p.

First half profits had risen from £670,000 to £962,000 and the directors said then that provided there were no further industrial disputes, the year's trading outcome should be satisfactory. Provided sales continued at the then present level, the total dividend would be increased by 10 per cent.

● comment

The full-year figures from Newman-Tonks are considerably flattered by first-time contributions from Rothley — which added £300,000 over seven months — and from Econa. Newman is pinning high hopes on Rothley, which secures it an entry into the lucrative DIY market, but trading conditions are otherwise unexciting and margins are under heavy pressure. Losses at the Irish subsidiary were halved to £70,000 and South Africa has improved its profitability, but earnings from Australia were slightly down on the year. The stated p/e of 3.9 takes full account of the difficult future while the overall 15 per cent dividend increase puts the shares on an attractive yield of 9.7 per cent at 72p.

Share sale stabilises Vitatron

THE wide fluctuations in the share price of Vitatron NV, the Dutch scientific group which came to the market on Monday, stabilised yesterday after Mr. A. H. Eikmans, the managing director, elected to sell a small block of shares in the market.

The sale of 42,500 shares, equal to almost 5 per cent of the placing, was made after consultation with Grindley Brandts, the issuing house. A spokesman said it was made "in order to assist in the establishment of a less narrow market in the shares which had developed in the previous two days."

During that period the company's shares ranged from an opening price of 233p to 280p—a premium of 60 per cent on the placing price of 175p. Yesterday's price was stable at 263p, down 2p.

Admitting that the sale was a relatively small one, the spokesman said: "It seems to have had the desired effect."

He added that Mr. Eikmans had no plans to further reduce his (51.1 per cent) holding at the present time.

See Lex

John Brown machine tool restructuring

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

John Brown announced outline plans yesterday for the major restructuring of its machine tool companies which was foreshadowed at the beginning of the year.

The seven companies in the UK, including Wickman, John Sturk and Webster and Bennett, plus several overseas subsidiaries, have been integrated into a single division. Within this, the various companies have been formed into three groups—light machine tools, heavy machine tools and special products.

The aim of the restructuring is to improve performance and to lay the foundation for the future of the division within the John Brown group of engineering companies. The new division is one of the biggest machine tool groups in the UK, employing 2,800 (3,500 worldwide) and its constituent companies had a turnover in 1978/9 of nearly £60m, but made only a very modest profit of £420,000 last year.

The forecast for the current year is for a slight improvement, although some of the machine tool companies were badly affected by the engineering strike. Orders in the UK have remained at a low level since the strike, but overseas sales have done much better.

Mr. Philip Norman, chief executive of the division, said yesterday that the new structure will enable the group to (a) become more productive—a high level of employee participation, and a management style to attract top managers from other industries are planned; (b) develop a greater international content—this may include associations with overseas machine tool companies and perhaps joint development programmes; (c) concentrate on engineering and technical efforts, in particular becoming aware of the longer term trends in customers' manufacturing needs; (d) expand the scope and scale of the group's factoring business.

Peachey gathers pace and lifts dividend by 50%

BY ANDREW TAYLOR

THE rehabilitation of Peachey Property Corporation took another step forward yesterday with the announcement of a 50 per cent increase in pre-tax profits to £2.87m.

At the same time the company recommended a 50 per cent increase in dividend payments for the year ending June 24, 1979 to 3p net.

Peachey's properties have been revalued at £47.89m creating a surplus over book value of £9.7m which has been taken to capital reserves.

Since Mr. John Brown, managing director, joined the company just over two years ago Peachey has been steadily rebuilding its image after the controversy surrounding the company's former chairman and managing director, the late Sir Eric Miller.

In 1976-77 Peachey incurred a £1.1m attributable loss, including an extraordinary deficit of £565,000. By the following year this was turned round to a £886,000 profit, and in the last 12 months attributable profits have risen to £1.5m.

Pre-tax profits of £2.87m compare with £1.9m the previous year and an £87,000 pre-tax loss in 1976-77. Trading profits rose from £4.4m to £5.1m over the 12 months to June 30.

The group has recently been looking round for new property investment opportunities and with cash in hand of just over £8m at the year end, the balance sheet would appear solidly placed to support new investment.

During the year, investment properties totalling £13.69m were sold, including the £12m raised from the sale of Park West.

Included in trading profits is a surplus of £1.8m from the sale of trading properties. Income from rents remained virtually static at £2.75m.

Earnings per share have risen from 3.9p to 7.4p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Assoc. Fisheries	0.25	Dec. 17	nil	0.25	nil
Assoc. Leisure ......int.	1.5	Feb. 2	1.5	—	4.35
Berec ....int.	1.3	—	1.2	—	4.94
British Assets	0.75	Jan. 3	0.65	3.1	2.4
Cent. & Sheerwood int.	0.75	Jan. 7	0.67	—	1.38
Dominion & Gen. ...int.	3	Dec. 3	2.35	**	9
Gill & Duffus ....int.	3.1†	Dec. 14	2.3	—‡	4.88
Gopeng Consld. 2nd int.	12¶	Jan. 7	9	—	18
F. J. C. Lilley ....int.	1.54	Nov. 29	1.12	—	2.79
McKechnie Bros.	4.93	Jan. 7	3.78	6.93	5.53
Newman Tonks	3.16	Dec. 12	3.15	4.66	4.05
Peachey Property	3	Jan. 7	1	3	2
Pengkalen ......2nd int.	3‖	Jan. 7	1.5	—	4.5
Wm. Press ....int.	0.6	Dec. 28	0.47	—	1.04
F. W. Thorpe	1.5	—	0.97	2.23	1.63
Walker & Homer	1.5	—	0.45	nil	0.9
Yorklyde ....int.	1.5	Dec. 11			

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including 0.1148p adjustment for reduction in ACT for 1978. § Final of 3.75p forecast. ¶ Makes 17p (13.5p) to date. ‖ Makes 4p (2.5p) to date. ** Final of not less than 6.75p forecast.

Setback for Gill & Duffus

EXTERNAL sales of Gill and Duffus Group, international commodity broker, merchant and processor, were down at £344m in the first half against £393m last time. And in his interim report Mr. T. P. H. Aitken, the group's new chairman, forecasts a reduction in pre-tax profit for the whole year from £22.7m to £20m.

But he anticipates that after estimated tax of £9.35m (£11.67m) and the release of a £6m deferred tax provision (£4.7m), net profits for the year will come out ahead at £16.75m compared to £15.74m.

The interim dividend is raised from 2.3p to 3.1148p and includes 0.1148p adjustment for the reduction in ACT rate relating to last year.

If the profits forecast for the year are realised, it is intended to pay a final dividend of 3.75p, states the chairman. The world economic picture for the months ahead is full of uncertainties, he adds, but the group is well placed to cope with them.

Dividends last year totalled 4.8842p.

Central & Sheerwood looks for improvement after midway fall

REDUCED EARNINGS in the two major engineering companies caused a first-half profits shortfall at Central and Sheerwood. In the first half of 1979 taxable profits fell from £2.73m to £2.15m on turnover ahead from £36.9m to £39.5m.

But the directors say that despite the damaging effects of the engineering dispute, the second six months should show an improvement over the first half. For the whole of last year group profits rose to £5.53m.

Trading profits of the industrial operations fell from £2.92m to £2.3m at midway, but the financial side advenced to £257,000 (£97,000).

The directors eay each of the group's subsidiaries has operated profitably ond continues to do eo.

Holcombe Holdings, the compeuies engaged in distribution, and printing and publishing, continues to show increased profits, whila the financial services companiea are achieving a considerahly higher lavel of earnings.

The Board adds that Newton Chambers Engineering began the year with a ehort order book and has done well to achieve profits. The order position has much improved for the next 12 monthe.

Ransomes and Rapier has finally been hit by the world-wide recession in the construction industry, and vacillation over American energy policy has led to delays in ordering walking draglines. But there are signs of a change in the situation in the U.S. and other parts of the world.

The net interim dividend is 0.75p, compared with 0.675p, and stated earnings per 5p share are down from 1.97p to 1.46p. Dividends last year totalled 1.379p.

After tax of £1.14m (£1.43m) and minorities of £32,000, against £51,000 the attributable surplus is down from £1.28m to £1.02m.

	Six months 1979 £000	1978 £000
Turnover	38,545	36,908
Trading profits	2,558	3,107
Industrial	2,301	2,920
Financial	257	97
Finance and admin.	373	282
Profit before tax	2,185	2,735
Tax	1,136	1,426
Net profit	1,049	1,309
Minorities and profit of subs. before acquis.	32	51
Attributable	1,017	1,258
Preference dividend	80	—

● comment

Central and Sheerwood attributee the 20 per cent interim downturn to the Newton Chambers division and, in particular, tha Ransomes and Rapier subeidiary (Mobile Cranes). The construction industry recession is mostly to blame but the group has been looking to pick up most of the shortfall in overseas markets during the second half had it not been for the recent engineers' dispute which has clipped profits by at least £1.25m pre-tax. Ransome's order book is beginning to fill up again, although the £10m crane order for Egypt will obviously be delayed, but the group is still searching for the desired three year workload on draglines. Central heating boiler interests have performed very well and should continue to do so as demand for solid fuel heating gathers pace. Despite call-off problems in the motor industry, A. L. Dunn (Ceetinge) produced steady, if unspectacular, growth and its increased input for the Ford Erika presumes more pronounced progress. But while the Holcombe division as a whole and the service companies are capable of further improvement, difficulties in Newton Chambers are probably to large to preserve the track record. Next year may be an entirely different matter but, for tha moment, eupport rests with a yield of 8.2 per cent at 27½p if the rate of interim dividend increese is maintained at the final.

NEB viewdata export complete

INSAC, the software subsidiary of the Netional Enterprise Board, has completed installation of the first privately owned viewdate informetion ecrvice in Holland.

The system has been installed for VNU, the country's largest publishing organisation. It will be used initially for graduate recruitment. Universities equipped with television sets that can link into the system will be able to receive information on job vacancies in industry, the professions and education.

Galvanising plant to open

A £1.5m galvanising plant at Telford will start production next month, well ahead of schedule. The plant, one of the most advanced in Europe, is being built by Joseph Ash Galvanieing to provide a galvanising service for a variety of fabrications.

The plant is on a 5½ acre site which givea the company room for further development.

LADA for rally

LADA, the Russian car manufacturer ie to enter a works team of cars and drivers in the RAC rally next month. It will be the first time works-entered Soviet cars and crews hove visited Britain since 1970.

SHARE STAKES

Letraset International—J. G. Waters, director, has sold 20,000 sharea.

Airfix Industries—J. A. S. Guy, director, has disposed of 25,000 Ordinary reducing his holding to 79,940 Ordinary.

Cattle's (Holdings)—Mr. A. R. Muir, director, dispoeed of 86,000 shares.

Green's Economiser Group—Mr. S. I. Green, director, disposed of 25,000 Ordinary shares.

John Finlan—T. L. Vondy ia now the beneficial holder of 180,000 shares.

Hallite Holdings—Mr. J. N. Hall, director, has reduced his non-beneficial holding by 53,135 ehares.

Second City Properties—Control Securities Group has acquired a further 75,000 shares and now holds 1,347,500 shares (10.002 per cent).

Alpine Holdings—Electra Group Services, a subsidiary of Globe Investments, is, through its subsidiaries, Electra Investment Trust and Electra Fund Managers (through its unauthorised unit trust "Electra Small Company's Exempt Fund"), interested in 640,000 Ordinary (5.78 per cent).

Armitage Shanks Group—Board announces that Ceramics Holdings SA, of Panama, has *transferred its holding* of 3,170,000 Ordinary ehares (pre-capitalisation issue), to a subsidiary, Caramic Investments BV, resident in the Netherlands. Ceramic Investments BV has now acquired further Ordinary shares which, together with the capitalisation issue, has increased its total holding to 5,667,500 shares (18.05 per cent).

A. G. Stanley Holdings—Berger, Jenson and Nicholson, Ordinary shares bringing its has recently purchased 85,000 total holding to 2,881,287 11.4 per cent.

Wiggins Construct—Following the increase in the issued share capital on October 10, 1979 Temple Bar Investment Trust now holds less than 5 per cent in the issued share capital.

Johnson Matthey—Company has been advised by Charter Consolidated that on October 16, 1979 it had entered into an agreement to purchase 2,659,375 Johnson Matthay Ordinary shares, an interest of more than 5 per cent.

LWT (Holdings)—Lord Hartwell, director, has disposed of 20,000 "A" ordinary ehares.

Hume Holdings—London and Manchester Assurance has sold 919,000 "A" ordinary shares. As a result, the company's interest is now below 5 per cent.

Monks Investment Trust—Mr. M. Hamilton, director, has acquired 10,000 shares as a trustee without beneficial interest, increasing holding in this category to 37,000 ahares.

United British Securities Trust—Scottish Widows' Fund and Life Assurance Society holds 1,818,000 shares and Sub-Pensione Management (SWF) hotds 407,346 shares.

Provincial Laundries—Hoover Trust Fund has bought a further 13,769 shares, making its holding 733,769 ehares (9.1 per cent).

Trafalgar House—Prudential Corporation Group of Companies holds 11,971,469 shares (5 per cent).

Rock Darham—Mr. J. A. Darham, director, has disposed of 313,163 shares.

Govett European Trust—Truetees of the BBC New Pension Scheme have bought furthar shares, making holding 1m shares (5 per cent).

Stothert & Pitt expects first-half loss

IT APPEARS that a loss for the first half of the current year cannot be avoided, saye Sir Ralph Bateman, chairman of Stothert and Pitt, bearing in mind the effect of the engineering dispute and the discouraging market demand for contractors' plant products.

The two-day strikes, together with the strong pound and the high rate of inflation and interest rates, have had a serious effect on tha engineering group's first quarter results.

"It is not too much to say," Sir Ralph continues in his annual statement, "that the future of tha company and of the employment which it provides depend upon a substantial and early increase in efficiency and big reductions in operating costs."

As reported on October 10, pre-tax profits fell to £978,000 (£1.33m) for the year to June 30, 1979, after o eharp decline in the second half eurplus. The net total dividend is raised to 11.06p (10.66p), which fails to meet tha forecast at tha tima of the rights issue.

Tha chairman says that, towards tha end of the year, it was decided to close the grey iron foundry and pattern shop in Bath. This resulted in some rednndancies, and a £140,000 provision has been included in the accounts.

This closure, he adds, provided an opportunity to accelerate the planned ending of manufacturing operations at Weston Island, Bath. This resulted in some redundancies, and a £140,000 provision has been included in the accounts.

This closure, he adds, provided an opportunity to accelerate the planned ending of manuafcturing operatione at Weston Island, Bath. The group expects to adapt the foundry buildings to o new role and relocate Weston Island activities on the Victoria site by the end of 1979.

Manufacturing will then occupy only two altes in Bath, which will benefit material flow, communications and costs.

The chairman says that, as it became clear that current trade proepects for products were not buoyant, the group actively sought to employ its spore capacity by securing orders from the few engineering market sectors experiencing high demand.

The group has been successful in negotiating substantial contracts with companies, providing valuale work for the manufacturing areas and opportunities for developing new manufacturing skills and processes, which will supplement the group's traditional operations.

The reduced proportioo of large crane division contracts which incorporata provisions for payment as work progresses had a major effect on the group's funding requirements during the year, the chairman says.

While the value of total stocks redneed, the amount of stock financed from the group's own resources rose £3.1m, representing a eignificant cash outflow. The proceeds of the rights issue provided £1m of the extra finance required, and the balance of requirements is reflected in overdraft increases of £2.1m.

Meeting, Bath, November 19 at noon.

The City's idea of the building industry.

The exception that proves the rule?

The first thing any competent stockbroker has to say about the building industry as an investment, is don't. Because all too often have building companies lost their financial balance and toppled.

But the second thing any really astute stockbroker would say is that such generalisations are far too sweeping.

Barratt would agree with both statements. Nobody could deny that in 1973-4 some of the whizz-kid building companies went fizz. Nobody could deny that during that period Barratt continued the steady growth which has characterized the company since its inception 21 years ago.

Hard facts.

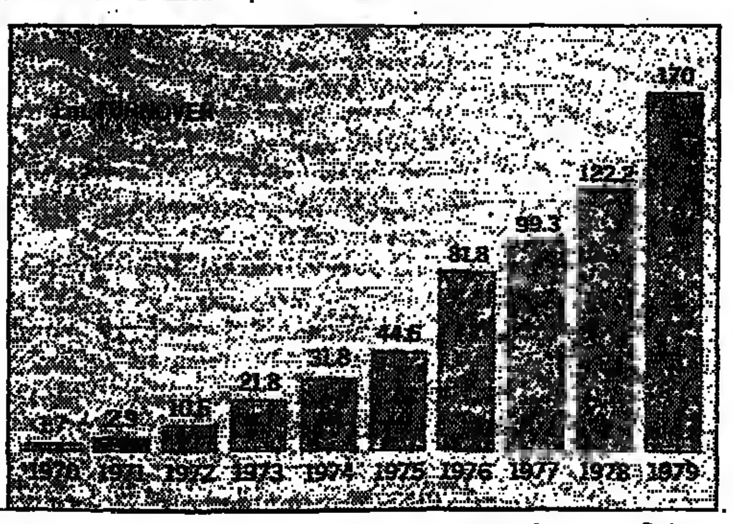
This year, Management Today published a Ten Year Growth League. It compared Britain's top 200 companies. Barratt achieved an overall position at number 12. We are the 7th most successful in terms of Pre-Tax Profit, 3rd in terms of Net Capital Employed and 1st in terms both of Sales and Gross Cash Flow. Last year, Barratt built no less than 10,000 houses.

We continued to expand an already impressive property portfolio. We continued to build for the total housing market from £11,000 houses for first-time buyers to major inner-city redevelopment to £110,000 houses for the wealthier private buyer.

Toppled.

Our profitability stands at an all-time record of £20.7 m and we are currently operating 350 separate developments in the U.K.

Below we reproduce a graph which shows our rate of growth for the last ten years – which includes that notoriously difficult period of '73-'74, and last year's hard winter, which unbalanced so many companies in the industry.



Both the consistency and steadiness of our success in riding these forces will become immediately apparent.

How to do it.

After 21 years nobody could account for Barratt's success in terms of luck or property booms. Only a combination of tight managerial control and rigorous financial discipline could have weathered the severe regressive tendencies of the market. Another important factor has been Barratt's decision not to centralise: our 30 operating subsidiaries are genuinely independent local concerns, each with its own Managing Director.

The virtue here is that local builders have a knowledge of local areas which only years of experience can bring – yet the sheer size and stability of Barratt as a national company underwrites that local know-how with resources that are solid as an oak.

Furthermore, Barratt with a major share in the private housing market in Scotland and the North, are rapidly expanding throughout the South of England. And we have followed a policy of re-investment of profits to ensure real growth and a firm potential for the future. We own sufficient land to keep the company busy for the next 3 years.

How to go on doing it.

Contrary to popular mythology, the demand for housing continues to grow apace. Of those people who want to own their own homes, only two-thirds currently do so.

Walk through the streets of our major cities and you will see that there is still a crying need for new housing projects and slum clearance.

Barratt have shown clearly their ability to make the most of the opportunities afforded them even during the most difficult post-war period.

Their confidence in themselves has been thoroughly justified by events. The current programme for commercial and industrial development on sites now owned or developments underway will increase rental income from the present £1.2m to over £3m by June 1981.

When these developments are completed the value of these investment properties presently over £20m will more than double, substantially adding to Barratt's reputation for solidity.

There can be little doubt of a continuation of this success.

Where others have toppled from the tightrope, Barratt have displayed a balanced assurance that can only augur well for their future.

For the thrills and spills of the high wire, try Billy Smart's Circus.

Barratt
Developments Limited

Wm. Press falls in first half

ON TURNOVER up £8m to £114m, taxable surplus of William Press & Son, mechanical engineering contractor, was down by £398,000 to £4.73m for the half-year ended June 30, 1979—last year's mid-term profit included £395,000 profit on property sales.

The directors state that the order intake shows every indication of being satisfactory, although current trading, in line with industry generally, is beginning to be affected by uncertain economic conditions.

Profits for the whole of 1978 expanded to a record £12.3m.

Stated first-half earnings per 5p share are ahead from 2.37p to 2.84p, and the interim dividend is increased to 0.6p (0.4675p) net — last year's final payment was 0.5688p.

After a lower tax charge, SSAP 15 adjusted, of £1.18m against £2.12m, and minorities £148,000 (£169,000) the attributable balance came out higher at £3.4m compared with £2.84m.

There is a contingent tax situation in respect of a subsidiary in Norway, directors state. Steps are being taken to resolve this matter with the Norwegian authorities.

● comment

Stripping out the previous property disposal surplus, William Press has come through an atrocious winter and the transport strike with maintained profits. Net cash balances stood at around £10m at the last year end and rising income provides part of the answer to the interim stability but first half losses at the James Scott (Electrical Transmission) subsidiary multiplied tenfold to £780,000 and the hope must be that overheads have now been pared back sufficiently to ride the dearth of orders without further loss escalation. The shares are unlikely to outperform until the tax position both in the UK and Norway is properly settled but, assuming the interim dividend lift is repeated at the final, a yield of 8.5 per cent at 23p provides a reasonably defensive base while the investigations continue.

NORTON INDUSTRIES DEB. REPAYMENT

The directors of Norton Industries, a subsidiary of Central Manufacturing Trading Group, proposed to repay the outstand- ...32 of the company's 8½ ... debenture stock 1988-93

BOARD MEETINGS

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—George M. Callender, Clayton, Darlington Investment, Qualvest, Minster Assets, Scottish Ontario Investment, Spong, Websters Publications.

Finals—Arthur Bell, CLRP Investment Trust.

FUTURE DATES

Interims—	
Soot (Henry)	Nov. 7
Border Breweries (Wrexham)	Oct. 31
Lake View Investment Trust	Oct. 30
Pritchard Services	Nov. 2
Finals—	
Border Sthm. Stockhldrs. Tst.	Oct. 30
London Entertainments	Nov. 6
Smiths Industries	Nov. 13
Wood Hall Trust	Nov. 2

Turnround for Irish Leathers

For the half year ended June 30, 1979, Irish Leathers achieved a IR£378,000 turnround from a £232,000 loss to a profit of £146,000, on external turnover ahead from £11.2m to £13.38m.

Mr. A Dunn, chairman of the Waterford, Eire-based leather maker, says that order books are satisfactory, but a fall off in retail sales of footwear in the UK, the group's largest market, following the VAT increase, is likely to adversely affect sales.

"In such a climate one hesitates to forecast the outcome for 1979," he states.

Loss for the whole of 1978 was £325,000.

Earnings per 25p share are shown as 1.19p, against a 2.27p loss, but directors do not consider it advisable to pay an interim dividend—last payment was a 2p final in 1977.

Results were achieved despite a difficult period in the European tanning industry, the transport strike in the UK, and communications strike in Ireland.

Mr. Dunn says the implementation of some of the rationalisation plans contributed to the improvement.

There was an extraordinary debit of £26,000 for the period which included termination costs of redundancies, and takes account of an employment maintenance subsidy.

After this, and minorities last time, profit came out at £120,000 (£228,000 loss).

BIDS AND DEALS

Racal sells Brocks interest for £1.2m

Racal Electronics sold its 11.8 per cent stake in the Brocks Group of Companies for about £1.2m yesterday, increasing speculation about its intentions towards Adwest and Decca — other companies in which it holds, or is thought to hold a stake.

Racal's sale was made at a little below the market price yesterday afternoon. The price of Brocks' shares fell 7½p during the day to close at 95½p. But even at slightly below this level, Racal would have realised a good profit on its original investment. A Stock Market dealer said yesterday he believed the average purchase price was about 65p per share.

Racal has sold stakes in at least three public companies this month. The stake in Plessey which Racal sold was worth about £7.2m and that in Exchange Telegraph (Holdings) about £1.4m. The disposals leave Racal with a known stake in Adwest and suspected stakes in Decca and other electrical and electronics companies.

Moran stake is investment –London Trust

By John Moore

London Trust has been adding to its stake in Christopher Moran, the insurance broker with large Lloyd's of London interests. It has purchased a further 200,000 shares bringing its holding to 1.2m shares, representing 6.92 per cent of the equity.

Mr. Edward Davies, chairman, explaining London Trust's recent interest in Moran, said that he hoped the purchase will make a "sound investment for the long term. But anybody that says we are trying to take it over is totally wrong. We do not make public offers and this is purely an investment."

London Trust has disclosed that it has been increasing its stake in Moran after Lloyd's announced that it had instituted statutory internal proceedings against three officers in the Moran Group and two companies within the group.

Lloyd's has been probing reinsurance deals on syndicate 566. The chairman of the group, Viscount Hall, has written to the underwriting members who are on the syndicate, which is managed by a Moran Group company, Harman Hedley Agencies, and said that the relevant transactions have been entirely profitable.

According to the group it expects a profit of "not less than $500,000" on the transactions which averages £2,000 per £40,000 of premium accepted by the underwriting member in the 1978 account. This will be paid to the underwriting members on top of any other underwriting profit in March 1981 and when the 1978 underwriting account is closed. But the cover, on a binding authority, in the 1979 account is not yet in profit, but should be by the end of the year on a smaller turnover.

Ault & Wiborg pay £2.5m for chemical plant

Ault and Wiborg, the printing ink and paper coatings concern, is paying £2.5m for certain property, plant and equipment owned by Palmer Research Laboratories.

The assets are being acquired by an A & W subsidiary, Warwick Chemical, and have been used by Palmer in its chemical production business. The purchase will be financed by bank borrowings, with £1.3m payable on completion and the rest in stages of six months or more.

The acquisition is in line with A & W's policy of building up its chemical operations and replacing the assets lost in the fire at one of the Mitcham factories in September 1978. The Palmer assets are in Mostyn, North Wales. Palmer will carry on its research activities and later move from the site.

Ault and Wiborg said it plans to develop production with specific emphasis on the needs of Warwick's UK and continental European clients. The Welsh Development Agency, which owns nearly 15 per cent of Palmer and has invested £254,000, said it welcomed the move and was disposing of its interest in the company "at a significant profit."

ESTATES & AGENCY

Following the acquisition by Estates and Agency Holdings of Artell House Property and Molyneux Securities (Charing Cross), an offer is being made to acquire the 1.43m ordinary shares of E and A not already owned by Mr. J. S. I. Rosefield, a director of E and A, and his associates and certain family interests of Mr. D. J. Lewis and Mr. J. N. Davis, at a price of 85½p.

Hambros Bank has posted the document on behalf of Jewelbond a company formed specifically for the purpose of making this offer.

Hall Steamship bid seems 'very low'

The £365,000 bid from Temple Investment and Finance for Hall Brothers Steamship seems "very low," say Shirlstar, the container leasing company which owns a 14 per cent stake in Hall.

Shirlstar say it was "very surprised" to learn that 54 per cent of the Hall shareholders, including directors, had accepted the offer, the terms of which are 70p cash for the ordinary and "A" ordinary shares and £1 for the preference.

Mr. Ben Slade, who owns Shirlstar with Mr. Nick Hardy, said yesterday that the company was now consulting with its advisers. He declined to say how much Shirlstar had paid for its stake, but admitted that some of the shares had been bought for up to 140p each.

Shirlstar said that its board had previously held talks with directors of Hall and their advisers, and asked for information "which it required as a serious potential bidder."

SECOND CITY PROPS.

Control Securities Group has acquired a further 75,000 shares in Second City Properties, bringing its holding up to 1,347,500 shares (10.002 per cent).

GEI INTERNATIONAL

Following the acquisition of Sanderson Kayser by GEI International, organisation changes have been announced. A new company to be called S. K. Holdings will be formed, and Hemmings (part of the Midland Bright division of GEI) and Sanderson Kayser will be wholly-owned subsidiaries.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission: Gladecrown and a controlling interest in Cambridge Instrument; Jewelbond and Estates and Agency Holdings; BAT Industries and Argos Distributors; W. I. Carr and Joseph Sebag; Lex Service Group and Motor Rim and Wheel Service Incorporated; Procor (UK) and Wagon Repairs.

ASSOCIATES DEAL

Cazenove and Co. announces that on October 24 it purchased on behalf of Rothschild Investment Trust 880,666 Hume Holdings "A" Ordinary at 94½p and 194,000 6 per cent convertible redeemable preference shares at 82½p.

A. R. STENHOUSE

A. R. Stenhouse Reed Shaw and Partners has bought a 40 per cent stake in Caviezel and Reinsurance Underwriting Agency, two companies operating in Zurich.

MINING NEWS

Saskatchewan offers a new potash deal

INDEPENDENT POTASH companies do not like it, but they seem to have little choice than to accept a tax offer from the Saskatchewan Government for a five-year deal, reports John Soganich from Toronto.

The offer would involve the companies signing what are called "resource payment agreements." These would end five years of confrontation between the mining companies and the provincial Government following the imposition of a tax on potash reserves in the ground.

The provincial Government has chosen to offer agreements to the companies rather than pass legislation because, as Mr. Allan Blakeney, the Premier, put it, there is "no guarantee that the companies would abide by it."

But the new tax deal is not expected to be sufficiently favourable to induce a new round of expansion. As it is, the companies are now working flat out. More than 40 per cent of capacity is in Crown hands through the Potash Corporation of Saskatchewan.

The Government package has three main elements. First there would be a basic charge of C$6 (£2.40) per short ton of potassium oxide produced up to 300,000 tons, and C$7.50 per ton above that level. Second, there would be a graduated tax on earnings, allowing a yearly deduction of 4.5 per cent of operating costs and an annual 10 per cent write-off on new investment for major facilities.

The final element calls for the companies to abandon all outstanding legal actions and for them to pay outstanding tax.

At one major mine, a spokesman said the agreement would only move the companies out of a distressing situation, but the mine would now make modest profits. But he noted that the capital cost allowances are not very good and are below that in other industries. Another said acceptance is inevitable.

Against this background net profits at the Potash Corporation of Saskatchewan have jumped to C$46.2m (£18.5m) in the year to last June, from C$10.4m in 1977-1978 as sales nearly doubled.

"The Saskatchewan potash industry as a whole and the Potash Corporation in particular are entering an exciting decade. As the world demand for food increases so the demand for potash is expected to rise at an annual rate of between 4 and 6 per cent to 1985," said Mr. David Dombowsky, the Potash Corporation president.

FALCONBRIDGE COPPER

Higher prices for copper, lead, zinc, gold and silver have lifted net profits at Falconbridge Copper over the first nine months of this year to C$24.9m (£9.97m), or C$1.92 a share, from C$9.4m, or 72 cents a share, in the same period of last year.

Falconbridge Copper, a Canadian producer, is 50.2 per cent-owned by Falconbridge Nickel, the second largest of the major international nickel groups.

The company has sharply lifted its dividends. One of 20 cents (8p) was paid in September after an earlier payment of 10 cents in June. In 1978 total distributions were 20 cents, and in 1977 just 10 cents.

"Stringent operating and administrative control continued to hold operating cost increases to 7 per cent compared with the same period last year," said Mr. Lionel Kilburn, the president.

● Pine Point Mines, a lead and zinc producer in the Cominco group is another Canadian company which has boosted earnings. Net profit for the nine months to September were C$34.5m (£13.8m) compared with C$7.5m in the first three-quarters of 1978.

JAPANESE SEA MINING STUDY

Japan is to embark on a Y20bn (£40m) seven year programme to develop technology for mining seabed manganese nodules, according to the International Trade and Industry ministry. An extensive survey, 600 miles off Haiwaii, is to start next July.

Japanese officials expect that the UN's Law of the Sea conference will reach a concensus next year on international rules governing the exploitation of deep sea natural resources.

N. BROKEN HILL FIRST QUARTER

Australia's North Broken Hill has made a quiet start to its current financial year to June 30 with a first quarter mining profit of A$4.85m in the fourth quarter of 1978-79.

Investment income amounts to a further A$330,000 against A$3.09m, but the figures are not comparable because of the timing of dividend income.

The past quarter's sales were: lead 14,934 tonnes against 19,135 tonnes, silver 29,095 kilogrammes (25,923 kgs), zinc concentrates 24,000 tonnes (23,982 tonnes). Metal prices realised were: lead A$1,075 per tonne (A$1,016), silver A$274 per kg (A$230) and zinc A$709 per tonne (A$736).

ROUND-UP

Ore extraction at the Anglo-Vaal group's South African Loraine gold mine has been halved following the failure of a sheave wheel at the No. 3 shaft which caused the hoisting rope to break and an ore skip to fall to the shaft bottom, damaging steelwork on the way. The ore supply to the mill is being made up by drawing upon low-grade material from a surface dump. It is understood that there were no casualties.

* * *

Asamera Oil says that the now completed season's drilling programme at its northern Saskatchewan uranium exploration project has continued to extend the areas of uranium mineralisation found in the previously announced Dawn Lake-No. 11 hole discovery areas.

* * *

A leaching operation is to be carried out on low-grade copper ore at an abandoned part of the Consolidated Gold Fields group's Gunpowder mine in Queensland. It is hoped that revenue from the operation will at least substantially offset the care and maintenance costs of the mine which remains closed down until copper prices justify the cost of reopening.

* * *

Canada's Cominco has taken an option to buy for C$5m (£2m) the 25 per cent minority interest in Arvik Mines owned by Bankeno Mines. Arvik, which is 75 per cent-owned by Cominco, holds the Polaris high-grade zinc-lead deposit and other properties on Little Cornwallis and Cornwallis islands in the eastern Canadian Arctic. No decision has been made as to the development of the mine.

RIT goes unconditional

The bid by Rothschild Investment Trust for Hume Holdings has gone unconditional, after further share purchases yesterday took RIT's voting power beyond 50 per cent.

RIT now owns 51.22 per cent of the equity, 50.09 per cent of the convertible preference, and nominal amounts of two loan stocks.

The bid has therefore gone unconditional before the formal offer has been sent to shareholders, or the board of Hume has given its advice. The fall in the Stock Market since the bid was announced has doubtless contributed towards its speedy success. The offer of 94½p per share could not be reduced although the value of Hume's portfolio of blue chip investments slid with the market as a whole.

RIT is thought to have considered the market fall as all the more reason to obtain control quickly. RIT's investment policy is expected to be markedly different from that of Hume.

At the ASM of Hume yesterday, Mr. C. G. Vaughan-Lee, the temporary chairman, said that the net asset value of Hume was 90p per share plus some 1½p or 2p per share for the goodwill of the bank. He said the board had not made a recommendation on the bid because it had not received the formal offer.

هكذا من الأصل

UK COMPANY NEWS

F. J. C. Lilley advances to £2.4m at six months

PRE-TAX profits of F. J. C. Lilley, civil engineering and public works contractor, advanced from £1.76m to £2.42m for the half year ended July 31, 1979 on turnover up from £34.8m to £38.5m.

The directors say results reflect the added benefit which has accrued from the company's policy of widening its base geographicaly, and diversifying interests.

In the current UK indnstrial and economic climate they feel it would be unrealistic to expect a significant improvement in construction industry margins in the near future, or any marked increase in the availability of acceptable work.

Looking to the contribution to profits being made by operations elsewhere, and also to the satisfactory state of its ordar book, they consider that the level of trading for the first half will be maintained.

Profit for the whole of 1978-79 was a record £4.22m.

After six months tax of £1.09m (£915,000) earnings are shown as 7.17p (5.06p) per 25p share, and the interim dividend is increased to 1.54p (1.1167p) net. The directors intend to recommend a similar increase in the final—last year's payment was 1.675p.

The pre-tax figure was struck after depreciation £1.03m (£1.08m), and included interest received of £265,000 against £66,000.

● comment

It is no picnic being ln tha civil engineering and public works construction business these days, so it is encouraging to hear that at least one firm is prospering. F. J. C. Lilley has increased pre-tax earnings by 38 per cent, although the gain is only 24 per cent when a first time contribution from Robinson and Davidson is stripped out. By selective acquisitions (like the recent American company Harrison Western in Denver) the company is redeploying assets amid a depressed civil engineering market. It appears to be working. With plenty of cash in hand (and no borrowings), the group looks set to achieve £5m or more for the year. The interim dividend is up 38 per cent at the net level and the final will be raised by the same proportion, leading to a prospective yield of 7.3 per cent at 77p, down 1p. The fully axed p/a shonld stand at 5.8.

CLUFF OIL SCRIP

The Board of Cluff Oil proposes a one-for-one scrip issue. It believes the issued capltal should more closely reflect shareholders' investment which currently has a market capitalisation of about £21m.

F. Thorpe advances to £0.79m

TAXABLE surplus of F. W. Thorpe, makers of Thorlux lighting equipment, advanced to £791,387 in the year to June 30, 1979. However, it confirms directors' fears expressed at the interim staga thatthe final figure would not show the same percentage increase as last year's £676,153 (£487,992) profit did.

They warned then that tha haulage strike and other industrial disputes, coupled with more competitive markets in the UK and overseas, were bound to affect second-half sales. Midway profits were £377,954 (£270,455) on turnover of £2.09m (£1.8m).

Turnover for the year rose from £3.93m to £4.24m, exports contributing £1.08m (£912,043).

A final dividend of 1.5p (0.97p) net per 10p share makes a total of 2.225p (1.63p).

EMC uncertain on prospects

Trading in tha current year at Electronic Machine Company has continned slightly above the previous year's level, but as a result of the difficult economic climate, there are a number of uncertainties ahead which may affect group prospects, says Mr. P. E. Tooke, the chairman, in bis annual statement.

Over the summer months, there has been a deterioration in orders within the ophthalmic side of its instruments division and also for night vision equipment, although to a lesser extent.

However, order books in the engineering division, desplte some repercussion from Iranian events, are very encouraging as they are also in radar maintenance and surveillance systems within the electronics side.

The chairman says the company has a number of interesting but inexpensive developments in progress to counteract the reduced order position in the instrument and conventional side of electronics divisions. The potential for several of these should be apparent before the end of April next year. Developments, bowever, are limited by a tight working capital situation.

The company is concentrating efforts on sales and marketing in new areas at home and overseas in order to make np for rednced orders in traditional markets.

For the year ended April 30, 1979, the company achieved a turnround from a £253,354 loss to a pre-tax surplus of £69,658 and a reasonably improved profit is anticipated for the current period—as reported October 2.

A settlement has been reached with the Inland Revenue, whereby the company bas accepted a liability of £50,000, arising from the period of management by Mr. Max Welling, who resigned as chairman in August, 1974. This amount is within the £55,000 provision, which was set aside against 1975-1976 results.

The settlement will trigger the releasa by the Revenue of outstanding tax repayments due to the group of some £34,000, together with interest supplements not yet quantified.

The company has been advised that under the indemnities received from Mr. Welling in tha 1976 settlement, all but £5,000 of the total liability plns related costs incurred in agreeing this amount, should be recoverable from him. The board is vigorously pursuing this claim bnt no recovery has been assumed in the accounts.

Meeting, Winchester House, EC, November 16, noon.

McKechnie Bros expands £2.5m

Sales of McKechnie Brothers, non-farrous metal, chemical maker, engineer, rose from £101.9m to £121.1m and taxable profits expanded to £15.12m for the year ended July 31 1979, against £12.66m.

At the interim stage profits were up from £5.81m to £6.46m, and directors expected full year's results to be ahead of 1977-78.

They now say that many of the UK companies were affected by the engineering dispute, and under current trading conditions, they feel lost ground will be difficult to make np.

The improvemsnt in South Africa, experienced last year, should continue and Australasia is budgeting for a better year.

After tax, adjustad for SSAP 14 and 15, of £4.81m (£4.52m), earnings are shown as 22.9p per 25p share, compared with 19p. The dividend for the year is stepped up to 6.93p (5.53p) net with a final of 4.93p.

● comment

The 26 per ceot second half profits rise at McKechnie was above outside forecasts and the shares finished 3p better at 85p. The star performers were South Africa, which was well up despite adverse exchange rate movements, and the plastics-cum consumer products side, where profits growth was 36 per cent. These should continue to perform well this year, but the kernel of the group remains the metals division and prospects here are not so bright. The engineering strike has already knocked upwards of £500,000 off first half profits and demand for brass roads is poor, with cheap imports applying pressure on margins. The 30 per cent boost to the final dividend nonetheless suggests that McKecbnie expects at least to match last year's profit. This would put the shares on a prospective fully-taxed p/e of 4.9, which is hardly demanding (though not much more attractive than, for example, IMI). A major prop is the 12.5 per cent yield.

Receiver at Chris Hudson

Mr. Nicholas Lyle, a partner in Thornton Baker, chartered accountants, bas been appointed receiver of Chris Hudson International (Limited).

The group, based at Romford in Essex, conducts an international freight haulage and trailer business.

Tha Receiver will be continuing to operate the company at least for the time being, in the hopes of finding a purchaser for the group on a going-concern basis.

British Assets advances

PRE-TAX revenue of British Assets Trust rose from £4.07m to £5.09m in the year to September 30. The dividend is being lifted 29 per cent from 2.4p net to 3.1p with a final quarterly payment of 0.75p.

This year's total dividend includes the extra 0.3p paid on the additional dividand from BP and Unilever.

Gross revenue advanced from £5.5m to £6.5m. The directors say the main reasons for the increase were the strong underlying profits growth and dividends of the companies in which they had invested and the two sobstaotial extra dividends from BP and Unilever. These benefits were, however, partly offset by the weakness of overseas currencies.

	September 30 1979 £000	1979 £000
Income	6,509	5,534
Interest and expenses	1,422	1,468
Revenue before tax	5,087	4,066
Tax	1,963	1,599
Revenue after tax	3,124	2,467
Preference div.	180	180
Available for ord.	2,944	2,287

Available earnings went ahead by 29 per cent to £2.9m and basic earnings from 2.46p per 25p share to 3.12p (fully diluted from 2.42p to 3.08p).

Net assets rose 2 per cent to 100p per share. Shares prices of the company's investments benefited from the favourable stock markets, but much of this was lost through the decline of the dollar premium.

WINDING UP RESCINDED

Winding-up orders made last Monday against two companies, Ronald Smith (Shopfitters) and Sneatooconrt, bave been rescinded by Mr. Justice Oliver in the High Court. The petitions were dismissed, by consent.

Assocd. Leisure rises to £3.2m at half-time

A 12.5 per cent profits increase is reported by Associated Leisure, the amusement machines and hotels group. In the half year to September 16 the taxable surplus advanced from £2.85m to £3.2m on turnover up from £14.8m to £17.8m. Total profits last year were £4.97m.

The directors say that while the level of trading during the half year was encouraging, increased depreciation charges and rising costs, resulting in reduced margins, have slowed the rate of profits advance compared with previous years.

	26 weeks 1979 £000	1978 £000
Turnover	17,810	14,793
Depreciation	2,967	2,370
Trading profit	3,225	2,985
Int. and divs. rec.	109	48
Interest payable	179	183
Profit before tax	3,215	2,850
Tax (estimated)	1,175	1,140
Net profit	2,090	1,710
To minorities	29	19
Attributable	2,061	1,691

They do not expect any worsening in this trend during the second half.

At midway the depreciation charge was up from £2.37m to £2.97m.

The attributable surplus is up from £1.69m to £2.06m after tax of £1.12m (£1.14m) and minorities of £29,000, against £19,000.

The net interim dividend per 5p share is up from 1.5p net to 1.8p. Last year's total was 4.25p.

● comment

AL's first-half results, which disappointed the market, reflect the impact of the company's heavy investment programme. At present, about 8,000 amusement machines are being replaced annually with a new micro-chip version, which will be cheaper to service and probably last longer. However, this initial investment has resulted in a sharp rise in the depreciation charge. In addition, the increase in VAT restrained the company from raising rental tariffs sufficiently to cover increased costs. This means that growth in the current year will not match that achieved in the recent past. Assuming profits of roughly £5.5m for the year, the fully-taxed prospective p/e is 9 at 92p, down 4½p, while the yield is 8.1 per cent if the interim dividend rise of a fifth is repeated at the final stage. The shares look fully valued in the short term.

Saville Gordon sees £1.45m

J. Saville Gordon Group should at least equal last year's record profit of £1.45m, Mr. John Saville, the group's chairman, told the annual meeting. He added that if the effects of the engineering strike were over quickly there was every chance of their exceeding it.

The first half profits, he told shareholders, would show a small improvement on last year's £636,000.

The group was in very good condition, and borrowings were not pirticllarly high, said Mr. Saville.

The stockholding division was continuing to make progress despite the poor industrial climate. But the scrap processing side was operating at a lower level of activity

Upturn for Jersey Electricity

For the six months ended July 1, 1979, profits of the Jersey Electricity Company, improved from £1.05m to £1.3m before tax of £260,400 against £215,300. Gross electricity revenue was higher at £5.04m compared with £4.75m.

The figures have been prepared on historical costs and the directors say that no account has been taken of the vastly increased costs of replacing plant.

Due to seasonal influences and the effect of oil fuel increases, it is expected that the final profit will not exceed the six months' figure. For 1978, the company reported pre-tax profits of £1.4m from electricity sales of £8.26m.

The interim dividend is again 4 per cent—last year's final was raised from 7 per cent to 8 per cent.

First half profit is struck after cost of working including depreciation, of £3.72m (£3.65m) and interest on loan capital, etc., £117,031 (£125,697). Profit on sales of appliances and contracting work amounted to £92,300 against £101,742.

Walker & Homer £87,000 loss

FOLLOWING the sbarp fall from a depressed £48,452 to £26,166 at midway, Walker and Homer, maker of upbolslered furniture, finished the year to July 31, 1979 with a pre-tax loss of £87,454 compared with profits of £44,320 in the previous year.

The directors say the transport strike and severe weather, mentiooed in the interim report were far more damaging than expected and had a serious effect on the Stockport company which continued to make losses.

In the light of the results and the current economic climate, the directors feel it necessary to conserve resources and are not paying a dividend this year. In 1978, an interim dividend of 0.45p was followed by a similar final.

	Year 1978-79 £	1977-78 £
Turnover	6,409,767	5,293,453
Loss	87,454	*44,320
Tax	9,468	121,861
Extraord. credit	70,629	‡17,860
Net loss	26,293	95,401
Dividends	—	48,267
Debit forward	26,293	143,668

* Profit. † Surplus arising on sale of properties £79,058, less cost of closure of factory, £8,429. ‡ Debit.

After tax of £9,468 (£121,861) and an extraordinary credit of £70,629 against a £17,860 debit, the net loss for the year was £26,293 compared with a £95,401 deficit previously. Loss per share is stated as 1.69p (1.35p).

The directors say that with inflation running at its present level it is almost impossible to increase prices fast enough to avoid short-term reductions in profit margins.

An important factor in profit recovery will be the level of wage increases and the limited extent to which the group can pass them on. The most difficult aspect of trying to forecast the immediate future will he the effect on consumer spending of the present tight monetary policies, they say.

NORTH AMERICAN NEWS

Sharp rise in Mobil income

BY DAVID LASCELLES IN NEW YORK

THE DRAMATIC increase in American oil company earnings continues. Mobil the second largest U.S. oil company, more than doubled its net income for the third quarter, from $258m or $1.22 a share for last year's corresponding quarter, to $595m or $2.80 a share. But revenues were up less than a third, from $9.2bn to $12.1bn.

Mobil's nine month earnings are now $1,436m, or $6.77 a share, up 80 per cent on last year's $792m or $3.74 a share.

Like most other major oil corporations who have reported so far, Mobil attributed the sharp earnings growth mainly to its foreign operations. Mr. Rawleigh Warner, chairman, said nine-month energy earnings abroad had risen 141 per cent, including inventory profits, while U.S. energy earnings rose only 28 per cent.

Of Mobil's other activities chemicals were also sharply up, due to the recovery of the petrochemical business, but the Montgomery Ward retail group's earnings were down $33m. Container Corporation's contribution to Mobil's total earnings increased by $22m.

Benefiting from sharp increases in both the value and volume of its oil production, Standard Oil of Ohio reported an enormous 191 per cent increase in its third quarter net income.

Sohio, now 53 per cent-owned by British Petroleum, said its profits reached $336m or $3.03 per share, up from last year's $125.7m or $1.06. This brought nine months' net income up to $735.1m or $6.10 per share, from $385.7m or $2.59. Third quarter revenues were $2.1bn, up 63 per cent on last year's $1.3bn.

Most of this gain was due to Sohio's Alaskan oil production, which now averages of 6000,000 barrels a day, or 10 per cent more than in last year's third quarter. The third quarter also saw the wellhead value of Sohio's North Slope production reach the ceilings by the Government.

However, Mr. Alton Whitehouse, chairman, said Sohio's marketing, refining, chemicals and plastics operations also performed well, although coal continued to suffer from operating and productivity problems.

Sohio is still committed to spending about $3bn to maintain Alaskan production, Mr. Whitehouse said, but it would also be expanding exploration elsewhere on and offshore in the U.S. The company's increased cash flow would be applied to develop natural resources, reduce debt and increase shareholder dividends, he said.

Advance at G & W

By Our Financial Staff

THE FINAL quarter for Gulf and Western Industries showed net profit ahead at $60.6m from $57.5m on higher revenue from $1.39bn against $1.21bn. Per share earnings for the company which embraces Paramount Pictures and a range of financial services, rose to $1.28 from $1.14.

Net profits for the year were $227.4m against $180.5m on substantially higher sales of $4.29bn compared with $4.31bn. Earnings per share were thus $4.62 against $3.53.

Earnings for the last quarter benefited from the continuing success of the leisure-time division, whereas the company's financial services division is expected to contribute further to future profit levels.

Union Carbide Canada gains

By Robert Gibbens in Montreal

UNION CARBIDE Canada, one of the country's three largest chemical groups, earned C$20.3m (US$17.20m), or C$1.92 a share, in the third quarter against C$3.8m, or 30 cents, a year earlier on sales of $185m (US$156.78), against C$132m.

The company said that much of the gain stemmed from higher prices as worldwide demand for petrochemical products continued to recover strongly.

Profits for the nine months were C$57.4m, or C$3.43 a share, against C$10.5m, or 80 cents a share, a year earlier on sales of C$494m, against C$372m.

Flintkote cool on Genstar bid

STAMFORD — Flintkote the building materials group announced that its Board is unable to recommend acceptance of a proposed tender offer by Genstar, unless it hears from the Federal Trade Commission on whether the combination of the two companies would violate anti-trust laws.

The company also said that it has received an amended purchase offer from Louisiana-Pacific Corporation, which is in competition with Genstar.

Genstar said that its $55 a share offer for Flintkote was conditioned on the company's agreement to end or resolve its pending suit against Genstar which charges that any combination of the two companies would violate anti-trust laws.

Flintkote said its suit also charged that Genstar's previous filings with the Securities and Exchange Commission violated Federal Securities Laws.

Flintkote said its Board has instructed the company and its lawyers to "explore whether steps could be taken to remove or eliminate their presently existing anti-trust objections, which may include consultations with representatives of the FTC."

The company is to report back to the Board within one week. Flintkote said, however, there is no assurance that these anti-trust objections can be satisfactorily resolved.

Flintkote said that it also received from Louisiana-Pacific a proposed amendment to the merger agreement between the two companies.

The company said that the proposed amendment would increase the annual dividend rate on the new Louisiana Pacific preferred stock, which would be issued in the merger, to $2.00 from $1.92 and would possibly increase the conversion rate on the preferred stock.

Flintkote's Board last month approved an agreement for the company to be acquired by Louisiana-Pacific for either $53 a share in cash or two shares of a new convertible preferred share.

Flintkote said that its Board has directed the company's management and advisors to review the Louisiana-Pacific merger agreement in the light of the Genstar proposals and changing market conditions.

The company said that another special Board meeting would be scheduled during next week to act on these offers.

Genstar already holds 21.5 per cent of Flintkote's shares.

Reuter

SCM wins vote for survival

BY OUR NEW YORK STAFF

SCM CORPORATION, the conglomerate whose dissolution is being sought by a group of rebel shareholders, said yesterday that it had won a majority of proxy votes in its fight for survival.

At the opening of the company's annual meeting in Chicago, Mr. Paul Elicker, the SCM president, said that even before voting closed yesterday management had won over 50 per cent of votes necessary to prevent the election of a completely new Board of directors.

But the outcome of the attempted liquidation was far from clear as an official count of the votes will not begin until this morning and could take several days because of the possibility of appeals from either side.

SCM's annual meeting has been adjourned to November 12 in the hope that a firm answer will be available then.

Mr. Elicker said that SCM, which produces Smith-Corona typewriters, foods and chemicals, should come through the present quarter with "good earnings" but that general economic uncertainty made it impossible to predict the performance in 1980.

Mr. Elicker said that the move to dissolve the company and sell its assets at a hoped for price of more than double the company's current stock market valuation was "a sign of the times we live in." There were bound to be schemes and promises "seemingly designed to offer up short-term profits by turning these national troubles to quick advantage." The dissidents are led by Mr. Norman Muller, chairman of a clothing group, which controls 3 per cent of SCM's stock.

If Mr. Muller's bid succeeds there are fears that many other U.S. companies could be vulnerable to similar sell-off attempts.

Chrysler ceiling over $750m, union claims

By Ian Hargreaves in New York

THE UNITED STATES Treasury has now definitely decided to give financial aid to the Chrysler car company and will not insist on loan guarantees being limited to $750m, claims Mr. Douglas Fraser, president of the United Auto Workers Union. It came after a breakfast meeting with Mr. Walter Mondale, the U.S. Vice President and Mr. William Miller, the Treasury Secretary.

The Treasury would not confirm Mr. Fraser's claim but said it expected to complete its detailed sifting of the Chrysler case by the end of next week. It would then take about a week for the Administration to reveal its position.

According to Mr. Fraser, the Treasury has already decided to bring in a Chrysler Bill which will not mention the $750m loan guarantee ceiling which the company set itself following Treasury objections that its initial aid request for $1.2bn was far too high.

TriStar losses hit Lockheed

By Our Financial Staff

LOCKHEED, THE aerospace group which supplies military and commercial aircraft, missiles and electronics, has made a third quarter net loss of two cents a share, compared with a profit of 68 cents for the like 1978 period. Net earnings were actually $1.1m, against $10.6m, but the per share figures reflect preferred stock dividend requirements.

Sales for the quarter were $1bn against $850m previously.

At the nine-month stage, net earnings were down from $38.4m or $2.43 a share to $22.8m or $1.30 a share, on sales up from $2.5bn to $3bn.

The company said losses on its TriStar plane programme rose to $69.1m in the third quarter, from $29m in the same period of 1978. Nine months TriStar losses increased to $137.4m from $84.9m.

Excluding the TriStar project, profits before other income, interest and taxes were $87.8m for the quarter, up from $58.6m

Mr. Roy Anderson, chairman, commented that 12 months' earnings from operations for 1979 are expected to be lower than the $55m reported in 1978.

EUROBONDS

Prices in DM sector hit by new Carter issues

BY FRANCIS GHILES

PRICES OF both domestic and foreign Deutsche Mark bonds weakened yesterday in the wake of the announcement on Wednesday that the U.S. Government is to issue DM4bn worth of foreign currency bonds in West Germany. Domestic D-Mark bond prices shed a few fractions of a point as this sector seems to have already discounted the news but foreign D-Mark bonds posted falls of up to ¾ of a point.

Worse hit were some of the recent issues, such as the DM225m 15-year issue for the EEC, which was completed last week, and some of the longer dated and older issues where falls of up to one point were registered.

Trading volume, however, remained thin and German dealers explained these falls as a technical reaction both to the announcement of the Carter bonds and to the inexorable rise in interest rates in West German money markets.

German bankers have stressed to the Bundesbank informally in the past few weeks that they would not be willing to subscribe to a new issue of Carter bonds along the same lines as last winter's. They have been insisting that any new issue of D-Mark bonds for the U.S. Government should be in the form of a fully marketable security which could thus be sold to a broad range of West German domestic investors.

This they appear to have achieved, although the exact conditions under which the first tranche of the new Carter bonds are to be floated are not yet known.

The first tranche of the DM4bn Carter bonds will amount to DM 2bn and will be issued early next month. It will take the form of "Kassenobligation" and German bankers were hoping that the bonds would come in denominations of DM 1,000-2,000 which would allow them to be placed among a broad range of investors.

Last winter's issues of Carter bonds took the form of "Schuldscheine" roughly equivalent to promissory notes. Participation was effectively restricted to banks as the minimum subscription was DM 500,000. The terms of the loan stipulated that transfers of the notes must be approved by the Bundesbank. The net result was that nearly all the "Schuldscheine" they subscribed remained on their own books.

In current market conditions, German dealers expect the Carter bonds to be split into two tranches with maturities of between two and four years. They would have to yield between 8.15 and 8.25 per cent.

The Carter bonds might have to carry higher yields if West German interest rates continue rising the way they have been during the past week or two. Two factors are at work: the weakness of the dollar and the lack of Bundesbank pressure to prevent German rates from rising. Both one and three month Euro-mark interest rates have risen by about ⅛ of a point since the end of last week to 8⅝ and 8⅞ per cent respectively and there is no sign of the pressure easing.

The Carter bonds are not expected to pose any threat to the funding requirements of the Federal Government, which are estimated to be about DM 6bn between now and the end of the year. This is because bonds for the Federal Government and its agencies carry much longer maturities than those expected on the Carter bonds.

Schlumberger earnings ahead

BY OUR FINANCIAL STAFF

SCHLUMBERGER, the world leader in oil well logging equipment, yesterday announced further growth in earnings and sales in the third quarter of the current year. Sales rose by 47 per cent in the quarter to a total of $984.3m, while earnings at $173.8m, put on 28 per cent. Share earnings of $1.37 compare with $1.07 in the comparable quarter.

The company said that Fairchild Instrument and Camera, consolidated from July 1 this year, contributed around a net $4m to the third quarter.

At the nine month stage, Schlumberger has pushed earnings ahead by 27 per cent to $462.7m, or from $2.86 a share to $3.64. Sales are 30 per cent higher at $2.54bn.

For the full year, Wall Street analysts are predicting earnings of around $4.80 a share, after adjusting for last April's three for two share split.

In the first half of the year, Schlumberger was showing a gain of 20 per cent in operating revenue with net income 26 per cent ahead. Continued growth is expected throughout the early Eighties by conversion of traditional well logging apparatus to new computerised techniques. For the longer term, the group hopes for important new earnings from the introduction of measurement while drilling.

AMERICAN QUARTERLIES

ALBANY INTERNATIONAL

	1979	1978
Third quarter	$	$
Revenue	73.7m	66.4m
Net profits	5.4m	3.9m
Net per share	0.82	0.59
Nine months		
Revenue	245.3m	206.7m
Net profits	18.85m	13.28m
Net per share	2.55	2.02

AMERICAN PETROFINA

	1979	1978
Third quarter	$	$
Revenue	477.8m	239.6m
Net profits	37.9m	4.5m
Net per share	3.54	0.46
Nine Months		
Revenue	1.13bn	845.2m
Net profits	65.4m	12.0m
Net per share	6.12	1.12

ANCHOR HOCKING

	1979	1978
Third quarter	$	$
Revenue	198.4m	183.7m
Net profits	5.3m	10.8m
Net per share	0.52	1.03
Nine Months		
Revenue	569.3m	533.8m
Net profits	21.5m	25.7m
Net per share	2.11	2.52

ANHEUSER-BUSCH COS.

	1979	1978
Third quarter	$	$
Revenue	774.7m	645.5m
Net profits	40.17m	38.53m
Net per share	0.89	0.85
Nine months		
Revenue	2.08bn	1.71bn
Net profits	100.64m	92.15m
Net per share	2.23	2.04

ASHLAND OIL

	1979	1978
Fourth quarter	$	$
Revenue	1.96bn	1.51bn
Net profits	53.0m	62.0m
Net per share	1.06	1.40
Twelve months		
Revenue	6.75bn	5.43bn
Net profits	198.4m	150.7m
Net per share	3.31	3.92

BELL CANADA

	1979	1978
Third quarter	$	$
Revenue	1.26bn	1.12bn
Net profits	106.8m	104.3m
Net per share	0.54	0.70
Nine months		
Revenue	3.85bn	3.08bn
Net profits	329m	254m
Net per share	2.02	1.70

COX BROADCASTING

	1979	1978
Third quarter	$	$
Revenue	65.1m	58.0m
Net profits	10.4m	8.7m
Net per share	1.55	1.30
Nine Months		
Revenue	193.2m	162.9m
Net profits	31.8m	23.5m
Net per share	4.42	3.52

CUMMINS ENGINE

	1979	1978
Third quarter	$	$
Revenue	405.3m	382.4m
Net profits	11.7m	12.5m
Net per share	1.39	1.49
Nine Months		
Revenue	1.31bn	1.10bn
Net profits	42.3m	47.8m
Net per share	5.00	5.84

DI GIORGIO

	1979	1978
Third quarter	$	$
Revenue	262.1m	227.3m
Net profits	3.00m	2.77m
Net per share	0.43	0.40
Nine Months		
Revenue	785.1m	673.0m
Net profits	8.79m	7.74m
Net per share	1.43	1.28

ENVIROTECH

	1979	1978
Second quarter	$	$
Revenue	155.2m	121.8m
Net profits	1.4m	1.8m
Net per share	0.30	0.35
Six months		
Revenue	287.9m	243.6m
Net profits	1.8m	3.0m
Net per share	0.41	0.66

FOREMOST-McKESSON

	1979	1978
Second quarter	$	$
Revenue	898.4m	752.1m
Net profits	16.31m	12.86m
Net per share	1.02	0.80
Six months		
Revenue	1.77bn	1.58bn
Net profits	31.18m	24.38m
Net per share	2.11	1.70

GERBER PRODUCTS

	1979	1978
Second quarter	$	$
Revenue	151.5m	125.1m
Net profits	7.66m	6.12m
Net per share	0.92	0.75
Six months		
Revenue	273.5m	242.0m
Net profits	13.06m	12.62m
Net per share	1.68	1.55

FRANK B. HALL

	1979	1978
Third quarter	$	$
Revenue	58.4m	46.3m
Net profits	7.39m	8.28m
Net per share	0.79	0.67
Nine months		
Revenue	175.9m	134.1m
Net profits	21.92m	18.34m
Net per share	2.33	1.96

HOLIDAY INNS

	1979	1978
Third quarter	$	$
Revenue	284.8m	257.4m
Net profits	21.2m	16.8m
Net per share	0.66	0.65
Nine Months		
Revenue	829.7m	689.9m
Net profits	59.8m	46.8m
Net per share	1.81	1.52

JOHNSON & JOHNSON

	1979	1978
Third quarter	$	$
Revenue	1.05bn	883.5m
Net profits	100.77m	80.46m
Net per share	1.65	1.35
Nine Months		
Revenue	3.17bn	2.62bn
Net profits	284.17m	238.19m
Net per share	4.95	4.01

KANEB SERVICES

	1979	1978
Third quarter	$	$
Revenue	107.8m	86.5m
Net profits	13.3m	10.8m
Net per share	0.60	0.49
Nine Months		
Revenue	278.8m	236.6m
Net profits	34.4m	29.0m
Net per share	1.56	1.32

WALTER KIDDE

	1979	1978
Third quarter	$	$
Revenue	597.5m	[illegible]
Net profits	23.02m	18.95m
Net per share	2.17	1.86
Nine months		
Revenue	1.7bn	1.36bn
Net profits	60.99m	48.31m
Net per share	[illegible]	[illegible]

KROGER

	1979	1978
Third quarter	$	$
Revenue	2.8bn	2.4bn
Net profits	25.88m	23.51m
Net per share	0.94	0.86
Nine months		
Revenue	6.8bn	5.8bn
Net profits	72.89m	54.5m
Net per share	2.68	2.00

MACMILLAN INC.

	1979	1978
Third quarter	$	$
Revenue	165.5m	152.4m
Net profits	8.23m	7.12m
Net per share	0.64	0.56
Nine Months		
Revenue	435.9m	394.3m
Net profits	12.75m	11.06m
Net per share	0.99	0.86

MARSH AND McLENNAN

	1979	1979
Third quarter	$	$
Revenue	132.4m	119.9m
Net profits	20.4m	17.0m
Net per share	1.47	1.22
Nine months		
Revenue	398.5m	360.4m
Net profits	76.7m	53.8m
Net per share	5.51	3.96

MOORE McCORMACK

	1979	1979
Third quarter	$	$
Revenue	145.9m	100.1m
Net profits	15.89m	10.87m
Net per share	2.78	1.90
Nine Months		
Revenue	313.0m	250.4m
Net profits	28.98m	22.44m
Net per share	[illegible]	3.93

NATOMAS

	1979	1978
Third quarter	$	$
Revenue	254.7m	236.1m
Net profits	33.57m	19.68m
Net per share	3.15	2.25
Nine months		
Revenue	708.4m	642.4m
Net profits	77.87m	55.71m
Net per share	8.35	6.51

NEWMONT MINING

	1979	1979
Third quarter	$	$
Net profits	44.0m	15.4m
Net per share	1.74	0.60
Nine Months		
Net profits	114.9m	17.1m
Net per share	4.54	0.92

PERTEC COMPUTER

	1979	1978
Third quarter	$	$
Revenue	44.2m	34.9m
Net profits	1.66m	1.78m
Net per share	0.23	0.28
Nine months		
Revenue	88.5m	71.2m
Net profits	3.06m	3.32m
Net per share	0.43	0.51

PHILLIPS PETROLEUM

	1979	1978
Third quarter	$	$
Revenue	2.5bn	1.75bn
Net profits	193.0m	118.3m
Net per share	1.25	0.77
Nine Months		
Revenue	6.7bn	5.22bn
Net profits	584.6m	438.6m
Net per share	3.79	2.96

REVLON

	1979	1979
Third quarter	$	$
Revenue	441.8m	361.7m
Net profits	35.2m	29.8m
Net per share	1.06	0.92
Nine Months		
Revenue	1.21bn	1.01bn
Net profits	107.9m	90.4m
Net per share	3.26	2.85

STERLING DRUG

	1979	1978
Third quarter	$	$
Revenue	398.6m	342.7m
Net profits	36.6m	27m
Net per share	0.81	0.45
Nine months		
Revenue	1.1bn	975.8m
Net profits	85.1m	71.6m
Net per share	1.43	1.18

SUN COMPANY

	1979	1979
Third quarter	$	$
Revenue	2.81bn	1.90bn
Net profits	174.3m	105.4m
Net per share	3.18	1.97
Nine months		
Revenue	7.49bn	5.46bn
Net profits	453.1m	290.8m
Net per share	8.36	5.44

TENNECO

	1979	1978
Third quarter	$	$
Revenue	2.8bn	2.11bn
Net profits	132m	103m
Net per share	1.22	0.88
Nine months		
Revenue	7.98bn	8.3bn
Net profits	411m	331m
Net per share	3.85	3.22

TEXAS INTERNATIONAL AIRLINES

	1979	1978
Third quarter	$	$
Revenue	85.1m	49.1m
Net profits	21.89m	4.37m
Net per share	3.10	0.87
Nine months		
Net profits	24.02m	10.62m
Net per share	3.40	1.60

TEXAS UTILITIES

	1979	1978
Third quarter	$	$
Revenue	545.3m	545.5m
Net profits	81.4m	96.5m
Net per share	1.05	1.21
Twelve Months		
Revenue	1.70bn	1.57bn
Net profits	211.9m	201.8m
Net per share	2.51	2.60

UNION OIL OF CALIFORNIA

	1979	1979
Third quarter	$	$
Revenue	2.14bn	1.94bn
Net profits	106.0m	92.6m
Net per share	1.22	1.05
Nine Months		
Revenue	5.77bn	4.71bn
Net profits	348.3m	258.5m
Net per share	4.00	2.92

WASHINGTON POST

	1979	1978
Third quarter	$	$
Revenue	137.5m	123.1m
Net profits	7.94m	9.48m
Net per share	0.51	0.59
Nine months		
Revenue	420m	371.1m
Net profits	32m	33.8m
Net per share	2.03	2.07

WISCONSIN POWER AND LIGHT

	1979	1978
Third quarter	$	$
Revenue	80.9m	70.2m
Net profits	8.57m	5.01m
Net per share	0.59	0.46
Nine months		
Revenue	262.8m	224.6m
Net profits	20.73m	18.31m
Net per share	1.87	1.50

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on October 25

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 88	60	84	84½	−0⅛	−5½	12.92
Alex Howden XW 9½ 91	30	†76	78	−1	−1½	13.51
Australian Res. 9¾ 84	30	91¼	92¼	0	−1⅛	11.89
Avco O/S Cap. 10¼ 87	40	†83	83½	−0⅛	−6¼	13.94
Beneficial Fin. 9¾ 87	100	87⅛	87⅞	+0⅛	−4	12.30
CECA 10¼ 91	150	86⅜	86⅞	+0⅜	−1¼	13.01
CECA 9¾ 89	125	†80½	81	0	−2¾	12.75
Canadian Pacific 9¾ 89	50	87¾	88¼	+0⅛	−2⅛	11.89
Carter Hawley 9¾ 86	50	87⅜	88⅛	−0⅛	−2⅜	12.50
Comalco Inv. E. 10¾ 91	40	88	88½	+0⅛	−3⅞	12.18
Continental Grp. 9¾ 86	100	88⅜	88⅞	+0⅛	−4	12.12
Dome Petroleum 10 94	50	86⅞	87⅜	−0⅛	−2⅞	11.87
Dominion Bridge 10¾ 84	30	91	91½	+0⅛	−2½	12.82
Dow Chem. O/S 9⅞ 94	200	85¼	85¾	+0⅛	−4¼	11.76
EIB 8⅞ 99	100	86½	87¼	−0¼	−3	11.92
EIB 9⅞ 87	150	89⅜	90⅛	+0⅛	−2½	12.26
EIB 10 99	150	87⅝	88⅛	−0⅛	−3	11.57
EIB 10¼ 87	100	90⅝	91⅛	+0⅛	−3¼	12.35
EIB 10.15 99	100	88⅜	89⅛	0	−2⅛	11.92
Export Dv. Cpn. 8¾ 84	100	91¼	91⅞	+0⅛	−1⅛	11.86
Export Dv. Cpn. 9⅜ 84	150	91⅞	92⅜	−0⅛	−2¼	11.51
Finland 9½ 86	100	87⅝	88¼	+0⅛	−1½	12.29
Finland 9⅜ 89	100	85¼	86⅛	−0⅛	−2⅜	12.53
GTE Finance 9½ 84	50	88⅛	88⅝	+0⅛	−3⅛	13.13
GTE Finance 9¾ 89	55	85⅝	86⅛	−0⅛	−3⅞	12.30
General Motors 9⅛ 86	100	87⅞	88⅜	−0⅛	−2½	11.81
Gould Int. Fin. 9¾ 85	50	88	89½	−0⅛	−2⅞	12.59
Hoechst Fin. XW 6½ 89	125	*72	72½	−1⅛	−1½	11.67
Hudson Bay Co. 10 94	50	87⅛	87⅝	+0⅛	−2⅜	11.84
ITT Antilles 9½ 89	75	86⅛	86⅝	−0⅛	−2⅞	11.92
Kennecott Int. 9½ 86	100	85	85½	−0⅛	−2⅞	12.94
Manitoba 9½ 89	75	86½	87	+0⅛	−2⅜	11.89
Michelin 10 94	125	85¾	87⅛	+0⅛	−3⅛	11.89
Nat. Dev. Telecm. 9½ 85	100	87⅝	88⅛	+0⅛	−3⅛	12.24
New Brunswick 9¾ 94	75	85	85½	+0⅛	−2	11.93
Newfoundland 10 84	50	87	87½	+0⅛	−2⅜	11.87
Norges Komm. 9⅞ 99	100	87⅛	87⅝	0	−3⅛	11.81
Norway 9½ 84	150	91⅞	92⅜	+0½	−1⅜	11.81
Nova Scotia Pwr. 9¾ 89	50	86⅞	87⅜	−0⅛	−2¼	12.07
Occidental Fin. 10¾ 84	50	88⅛	88⅝	+0⅛	−2⅛	13.78
Orient Leasing 9½ 86	25	87⅛	87⅞	+1⅛	−0⅜	12.29
Pennwalt O/S F. 9¾ 94	25	89⅞	90⅜	0	−2⅛	12.67
Pepsico Cap. 8¾ 94	100	90⅛	90⅝	+0⅛	−1⅞	12.15
Quebec Hydro 10 99	75	86⅞	87⅜	+0⅛	−1	11.72
Redland Fin. XW 5½ 81	25	†82	84	−2	0	12.33
Sears Roebuck 8 82	150	92½	93	+0⅛	−0⅛	12.78
Statoil 9⅞ 89	100	87⅜	87⅞	0	−4⅛	11.86
Stockholm 9¾ 84	50	87⅞	88⅜	−0½	−3⅜	11.78
Sweden 8¾ 89	100	88¼	85	0	−2⅜	11.75
Sweden 9½ 95	200	89⅜	89⅞	0	−2⅜	12.22
Sweden 9¾ 84	100	91⅞	92⅜	0	−2¼	11.97
Unilever NV 9¾ 87	100	86⅜	86⅞	0	−3⅛	11.98
Warner-Lambert 8 84	100	88⅜	89⅛	0	−2¼	12.22

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 7½ 89	150	93¾	94¼	−0⅛	−0⅞	8.43
Asian Dev. Bk. 7¼ 89	100	93¼	94¼	−0⅛	−1⅜	8.12
Banco Desarrollo 7¾ 86	100	92	92½	+0⅛	+0⅛	8.88
Barclays O'seas 6¾ 88	100	92⅞	93⅜	−0¼	+0⅛	7.77
Brazil 8 87	160	95½	96¼	−0⅛	−0⅛	8.74
CECA 7 91	150	94⅜	95⅛	−0⅛	−1⅜	7.66
Council of Eur. 7¼ 89	100	95⅜	96⅛	−0¼	−1⅞	7.89
Council of Eur. 7½ 89	125	*†98	98½	0	0	7.76
Denmark 5¾ 85	100	90	90¾	−0⅛	−2⅛	8.05
Denmark 6½ 89	100	89⅞	90⅜	−2	−3⅜	8.02
EIB 7½ 89	200	97½	98¼	−0⅛	−1⅜	7.81
Eletrobras-Brazil 7 87	100	94⅜	95	−0⅛	−1⅜	7.88
Eurofima 6½ 89	100	94¾	96⅜	−1⅛	−2⅛	7.23
Kobe, City of 7¼ 89	150	94¼	94⅞	−0⅛	−1⅜	7.92
Mitsubishi Chem. 5½ 84	70	95¼	96	−0⅛	−1⅛	7.67
New Zealand 7⅜ 87	200	94½	95	−0⅛	−1⅛	8.04
Nippon Kokan 6½ 84	100	94⅞	95⅜	−0⅛	−0⅛	7.79
Nippon Tel. & T. 5½ 87	100	86⅞	87⅜	−0⅛	−0⅛	7.86
Norges Komm. 7¼ 91	150	98	99¼	−0⅛	−1⅛	7.83
Norway 6¾ 94	200	96⅛	96⅞	−0⅛	−2⅛	7.18
OKB 6 87	40	93⅞	94⅜	0	−0⅜	7.12
Petrobras 8 89	125	†95⅜	95⅜	−0⅛	−1⅛	8.66
Tokyo Elec. Pwr. 6½ 85	200	93⅜	94½	−1⅛	−1⅞	7.84
World Bank 7¾ 81	400	97½	98	−0¼	−1⅛	8.05

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	99½	99¾	0	−0⅛	5.55
Aumar 5 89	50	101	101½	0	−0⅛	4.83
Australia 3¾ 88	250	94⅛	94½	−0⅛	−0⅞	4.36
Bergen, City of 4¾ 91	40	100¼	100½	−0½	−0⅛	4.71
BNOE 6 89	75	93⅞	93½	+0⅛	−0⅛	5.81
BMW Overseas 4¾ 91	100	89⅜	98⅜	−0⅛	−1⅜	4.44
Caisse Nat. Tele. 4½ 89	100	†99	99⅛	−0⅛	−1⅛	4.49
Canada 3¾ 89	300	94½	94¾	+0⅛	−1⅛	4.35
Copenhagen 4½ 91	60	98⅜	98⅞	−0⅛	−0⅛	4.68
EIB 4½ 81	100	93¾	98¾	−1¼	−1⅞	4.67
EIB 4¾ 94	100	†98	98½	+3⅜	+2⅛	4.54
Elet. de France 4⅛ 89	100	99½	99¾	−0¼	−1⅛	4.42
GZB 4⅞ 89	100	[illegible]	95¾	−0½	−1	4.83
ICI Fin. NV 3½ 94	230	88¾	89	+0¼	−0⅛	4.57
Int.-Amer. Dev. 4½ 89	100	96½	96¾	−0½	−2¾	4.94
Malaysia 5 89	80	93½	93¾	−0¼	−1½	5.96
New Zealand 3½ 94	120	85½	85¾	+0⅛	−4	4.96
Nippon Tel. & T. 4⅞ 89	100	99	99¼	−0⅛	−2	4.35
Nordic Bank 5 89	45	99⅞	100¼	+0⅛	−2⅛	5.00
Norges Komm. 4⅜ 91	100	95⅛	95⅜	−0⅛	−1⅜	4.91
Norwegian Mort. 4½ 91	45	*†100¼	100½	+0⅛	+2⅛	4.46
OKB 3¾ 91	100	88⅛	88	−0⅛	−3⅛	5.07
OKB 4½ 81	100	95⅞	95½	−0⅛	−2⅛	4.89
Pfand Ost. Lande 4 90	60	93¾	94	−0⅞	−1⅛	4.78
Philippines 4⅞ 88	50	†95	95½	+0⅛	+0⅛	5.40
Shikoku El. Pwr. 4¾ 88	100	100¾	100½	−0⅛	−1⅛	4.70
Spain 4 91	100	93⅜	93⅞	−0⅛	−1½	4.72
Steweag 4¾ 91	60	100⅛	100⅜	−0⅛	−1⅛	4.72
Voest-Alpine 4¾ 89	90	101⅞	102⅛	−0⅛	−1⅛	4.49
World Bank 4⅜ 89	100	99¾	99⅝	−0⅛	−2⅛	4.89
World Bank 4½ 89	150	96⅞	97⅛	−1⅛	−2⅛	4.76

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	89	90	0	−1⅛	8.88
Australia 6½ 89	20	86	87	−0⅛	−1⅛	8.86
EIB 7⅛ 89	12	97⅛	98⅛	+0⅛	+0⅛	8.03
Finland 5.6 89	10	88¼	89¼	−0⅛	−2	9.08
Finland 6.8 86	10	88⅜	89⅜	0	−0⅛	8.78

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	95½	96½	0	0	10.14
Avco Fin. 10½ 86 C$	25	87⅞	88⅛	+0⅛	−0⅛	13.01
Bell Canada 10¾ 86 C$	60	92	92½	−0⅞	0	12.48
Cr. Foncier 10¾ 84 C$	30	89⅛	89⅞	+0⅛	−0⅞	13.42
Ex. Dev. Cpn. 10 84 C$	50	92	92⅞	0	−1⅞	12.28
Fst. Can. Inv. 10 84 C$	50	90⅝	91⅛	−0⅛	−0⅛	12.71
Hudson Bay 10½ 89 C$	60	90	90⅝	0	−0⅛	12.27
Quebec 10¼ 86 C$	50	88⅜	89⅜	−0⅛	−2⅜	12.87
R. Bk. Canada 10 88 C$	40	88⅞	89¼	−1⅛	−3⅛	12.49
R. Bk. Canada 10 94 C$	40	83⅜	83⅞	−2⅞	−4⅞	12.51
Copenhagen 8¼ 91 EUA	25	96½	98	−0⅛	−0⅛	8.62
Copenhagen 8¾ 91 EUA	20	†103¼	104¼	−0½	−0⅞	8.17
SDR France 8½ 94 EUA	24	†101⅜	102⅜	0	0	8.22
SOFTE 8¾ 89 EUA	40	92¾	94	−0⅛	−1¼	8.32
Algemene Bk. 8¼ 84 Fl	75	96⅜	96⅞	0	−0⅛	8.13
Amev 8½ 86 Fl	75	97⅛	97⅝	−0⅛	−0⅞	9.02
Ned. Middbk. 8¾ 84 Fl	75	96½	97	+0⅛	0	9.16
Norway 6¾ 84 Fl	100	97½	98	+0⅛	−0⅛	8.87
Norway 8¼ 84 Fl	100	96⅜	96⅞	+0⅛	−0⅛	8.12
Slavenburg's Bk. 9 88 Fl	60	†97	97½	+0⅛	−0⅛	9.56
Air France 11 84 FFr	120	99	99½	0	+0⅛	11.19
Euratom 9¾ 87 FFr	150	89¼	90⅛	−0⅛	−1⅛	11.84
Norway 9¾ 94 FFr	200	91⅜	92⅜	−0⅛	−0⅛	11.60
PSA Peugeot 9¾ 87 FFr	175	87⅝	89⅝	0	−1⅛	12.35
Renault 9¾ 85 FFr	100	81⅛	92⅛	0	−0⅛	11.69
Saint-Gobain 9¾ 86 FFr	130	88⅞	89⅞	−0¼	−0⅛	12.16
Solvay et Cie 9¾ 87 FFr	125	88⅛	89⅛	0	−0⅛	12.09
Total Oil 9¾ 87 FFr	150	86⅜	87⅜	0	−0⅛	12.06
Citicorp 10 93 £	20	84⅛	84⅞	+0⅛	−1⅛	12.41
EIB 9¾ 89 £	25	81⅜	82⅜	0	−4⅛	13.45
EIB 11½ 91 £	25	87⅜	88¼	+0⅛	−2⅛	13.63
Finance for Ind. 13 91 £	15	94¾	95½	−0⅛	−3⅛	13.84
Fin. for Ind. 12½ 88 £	30	92½	93	+0⅛	−2½	13.87
Gen. Elec. Co. 12½ 89 £	50	94⅛	94¾	+0⅛	−1⅛	13.53
Indonesia 8¾ 91 KD	7	†94½	95	0	0	8.50
Mitsubishi 7½ 84 KD	10	†95¼	96⅜	0	0	8.88
Norges Kom. 7½ 89 KD	12	†93¼	93¾	0	0	8.61
Occidental 8¾ 91 KD	7	†92⅜	92⅞	−0⅛	−0⅛	9.31
Euratom 8 87 LuxFr	500	90⅜	91⅜	0	+0⅛	8.72
Norges Kom. 8 86 LuxFr	500	89	90	−0⅛	−1½	10.13
Oslo, City of 8 89 LuxFr	500	91	92	0	+0⅛	9.38

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
BNOE 6 89	0⅛	*†94¾	95⅛	21/12	13.38	14.06
Banco di Roma Int. 6 87	0¼	98⅜	99⅛	26/10	11.18	11.30
Bco. Nac. Argent. 7 86	0¾	95⅞	96⅜	22/3	13.13	13.72
Banco Prov. BA 7¾ 86	0¼	96½	87	12/12	11	11.37
Banco Urquijo 6 86	0¼	97¼	97⅜	21/3	13⅛	13.72
Bque. Indo Suez 5¾ 88	0¼	97⅜	97⅞	11/1	11	11.27
Bosque Sudameris 6 87	0⅛	95⅞	96⅜	11/1	11⅛	11.57
BNP 5½ 91	0¼	96⅜	96⅞	22/2	11.94	12.35
Citicorp O/S Fin. 8 94	‡0⅛	98½	99	8/12	12.81	12.97
Citicorp O/S 83	‡0	98⅛	98⅝	23/11	11.88	11.85
Creditanstalt 5½ 81	‡0¼	97⅜	98⅛	14/12	12.94	13.22
GZB 5½ 89	‡0¼	98	98½	1/11	11.44	11.64
Jugobanka 8 88	0⅝	94¼	95	23/11	11⅞	12.55
LTCB Japan 5½ 89	0¼	97½	98	7/12	11⅛	11.38
Mfrs. Han. O/S 6¾ 94	‡0⅛	98⅞	98⅜	23/11	12.56	12.77
Nacional Fin. 6¾ 88	0¼	96	96½	25/1	11½	11.95
Nat. West. 9¾ 94	0¼	97¼	87⅜	11/1	14.94	15.34
Nippon Cred. Bk. 6¾ 86	0¼	98⅜	87⅜	12/1	10⅞	11.21
Royal Bk. Scot. 5¾ 94	‡0¼	98⅜	98⅞	11/1	14.94	15.15
Soc. C. de Bque. 6½ 87	0¼	96⅜	97⅛	3/4	13¼	13.66
Sogenal 5¾ 89	0¼	96	96½	11/1	10.81	11.23
Sweden 8¾ 91	‡0¼	†97⅛	97⅜	18/1	15	15.38
Texas Int. Airways 7 86	‡0¼	95⅞	96⅜	11/1	15.56	16.15
TVO Pwr. 8 81 (D-lock)	0¼	96⅞	97⅜	24/11	11⅛	11.45
Utd. Overseas Bk. 6 89	‡0¼	97⅜	97⅞	29/12	12.94	13.29
Williams & Glyn 6¾ 91	0⅛	97⅛	97⅝	14/3	13.38	13.74
Bq. E. d'Alg. 4¾ 89 SF	0⅛	95	96	18/12	4⅛	4.45

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	92⅞	93⅜	+0⅛	−0.90
Asahi Optical 7 84	11/79	605	80⅞	81⅞	+2	3.41
Canon 6¾ 94	8/79	570	87¼	88½	+2⅜	2.11
Ciba-Geigy O/S F. 4 94	8/79	675	†93¼	94¼	+0⅛	−0.97
Credit Suisse 4¾ 93	10/78	1325	106⅛	107¼	0	2.87
Daiei Inc. 6½ 94	11/79	1020	90⅜	91⅛	+0⅞	6.78
Essolte 7¾ 89	8/79	159	93⅜	94⅛	+0⅛	1.25
Honda Motor 5½ 89	5/79	532	89⅜	90⅛	+4⅜	3.05
LPC International 8 89	8/79	35	†95⅜	96⅜	+0⅛	16.15
Meidensha Elec. 7 84	12/79	210	88⅛	88⅞	−0⅛	25.17
Mitsubishi Cp. 6½ 94	10/79	604	133¾	135¼	−1⅛	−2.36
Nippon Seiko 7¾ 94	12/78	339	84⅞	85⅞	+0⅛	2.14
Nitto Elec. Ind. 6 94	7/78	735	77	78⅛	−4⅜	6.49
Union Bank Switz. 5 89	2/80	125	107¼	108¼	−0⅛	5.35
Fujitsu 5 84 DM	7/79	475	96¼	98¼	−0⅛	26.37
Kansai Elec. 4 84 DM	4/79	1350	86½	87½	0	75.24
Tokyo Elec. 3½ 87 DM	4/79	476	91⅛	91⅞	+1½	80.94
Tokyu Ld. Cp. 4 86 DM	4/79	493	77⅛	78⅛	+0⅛	39.26
Uny Co. 6½ 86 DM	11/79	1071	93⅜	94⅜	−2⅜	10.28

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

هكذا من الأصل

Lafarge well ahead at halfway

BY TERRY DODSWORTH IN PARIS

THE FRENCH Lafarge Group, one of the leading cement producers in the world, is set to show an impressive profits increase this year after a first half in which it has virtually doubled earnings.

The company says that by the end of 1979, all of its operational divisions will be in profit again, suggesting that it has now largely overcome the problems which had hit its non-cement interests, Carbonisation Entreprise et Ceramique and the Allia Doulton sanitaryware group.

Although the results show a clear improvement in margins during the first six months, turnover also went up by 20 per cent, to FFr 3.7bn ($881m) against FFr 3bn. Consolidated after-tax profits came to FFr 138.7m compared with FFr 76.7m. Lafarge points out, however, that these results take account of some changes in its structure, notably an increase of the stake which Ciments Lafarge France holds in Compagnie des Sablieres de la Seine to 64 per cent.

Each division of the group improved its contribution to group profits in the first half, apart from the North American business, which has been affected by the poor showing of the Canadian dollar against the franc. Even so, the Canadian operation increased its profits by 55 per cent in the first half expressed in dollars.

In its home market, the French cement and concrete division increased its profits from FFr 37m to FFr 63m.

Parent company figures, also announced yesterday, show profits rising to FFr 46m from FFr 26m for the first six months. Lafarge notes that, following this strong first half, it should show final profits for the year well in excess of the rate of inflation. In addition, it will be realising an exceptional profit on the sale of its 64 per cent stake in Lafarge Emballage, the packaging division, which is being bought by Billerud-Uddeholm of Sweden.

The French company will be receiving about FFr 110m under the terms of this deal, which is still awaiting the go-ahead from the French authorities.

There have been suggesteions that the French government would like to see a home-based company taking over the Emballage group, and St. Gobain Pont-à-Mousson is believed to be working on a plan to put in a counter offer.

But Lafarge has made it clear that it wants to respect the deal it has reached with Billerud, and would only accept a rival French offer if it guaranteed a similar financial return and gave equal commitments on employment and the future of the subsidiary.

AEG plans rationalisation

BY JONATHAN CARR IN BONN

WIDE-RANGING measures will be decided early in December to try to restore the fortunes of ailing AEG-Telefunken, West Germany's second largest electricala concero. They are certain to involve hoth a sharp cutback in the company's less profitable activities and a new drive to boost its more promising sectors, partly in co-operation with other partners.

This emerged from a terse announcement issued yesterday after an extraordinary meeting of the company's supervisory board. It came as the company, which employs more than 160,000 people worldwide, approaches the end of another year of heavy deficit after recording a DM 347m loss in 1978.

The anoouncement said that the Board had considered measures including rationalisation, co-operation plans already under negotiation and "capital measures." The latter is believed to refer to a write-down of AEG's DM 930m share capital—by bow much is not yet clear—to be followed hy an Injection of finance from the banks to which the company is already beavily Indehted.

No details were given on jnst what new co-operation might be planned. But even in its recent, unsuccessful years, AEG bas markedly boosted its research and development expenditure, which makes it an attractive partner in bigb technology sectors if its financial bealth can be guaranteed. So far AEG has tended to suffer from too great a production emphasis on bonsebold goods and a relative lack of foreign production facilities.

Even with the support of the banks, in particular the Dresdner Bank, AEG will have a tough negotiating task with the trade unions, thousands of wbose members' johs are at stake. The unions bave already appeal for Government aid—but sucb help, if it does come, seema bound to depend on the nature of the solution first found hy the private sector.

UBS earnings rise in third quarter

By Our Financial Staff

THIRD QUARTER earnings at the Union Bank of Switzerland are "well above" those for the same 1978 three months, and the bank expects profits for 1979 as a wbole to be favourable.

Lending volume is rising, commission income was up in the tbird quarter and costs bave been held at hudgeted levels. The hank, the aecond largest in Switzerland, also stresses that income has been boosted by active precious metals, foreign exchange and underwriting operations.

In contrast, income from interest margin business dipped during the qnarter, largely because of the reduction in mortgage rates on July 1.

The bank's halance sheet expanded hy just under 1 per cent to SwFr 65.4bn at the end of September. Clients deposits declined during the three months, hut deposits from hanks rose by SwFr 1.1bn to SwFr 18.3bn. Business has continued to develop during the first weeks of October.

● An auction system is to be introduced for Swiss Federal bond issues in view of "placement difficulties" recently. The auction procedure will apply to issue prices only.

The auction proposals were announced by the Swiss National bank at a press conference in Berne. The national bank is preparing for a possible issue of its own bonds, which it is empowered to float under a new law, in force since August. The bonds are to replace sterilisation-prescriptions, but no indication was given when a first issue will be made.

Deutsche BP sees better results

BY KEVIN DONE

DEUTSCHE BP, the West German subsidiary of British Petroleum, expects a greatly improved net profit of almost DM 250m ($139m) for 1979, Dr. Hellmuth Buddenberg, chairman of the management Board, said yesterday.

The company's performance has been considerably enhanced by its take-over of important oil refining and marketing and gas interests from Veba, West Germany's leading energy concern.

The increase in its retail outlets following the acquisition of Gelsenberg, the Veba subsidiary, has enabled Deutsche BP to improve the use of its refineries to 78 per cent of capacity in hte first nine months of the year, compared with only 63 per cent in the same period in 1978.

Deutsche BP's oil business has moved back into profit in 1979 for the first time since 1973. In the five years to the end of 1978, its oil operations made cumulative losses of DM 1.14bn. Overall last year, the company recorded a net profit of DM 23m.

In the first nine months of 1979, the company made a net profit of DM 183m compared with a loss of DM 28m in the same period of 1978.

The acquisition of the Gelsenberg subsidiary has transformed Deutsche BP into British Petroleum's most important foreign subsidiary after Sohio in the U.S. The volume of its business has climbed from 12m tonnes in the first nine months of 1978 to 17.3 mtonnes in the same period this year.

Its gross turnover in the first three-quarters of the year was DM 14.8bn, compared with DM 7.4bn in the corresponding period last year.

Investment upsurge in West Germany

BY OUR BONN CORRESPONDENT

WEST GERMAN industrial concerns in general are planning a further strong surge in their fixed asset investment next year, although a downturn is likely in the construction sector.

This emerges from the autumn investment survey released today by the IFO economic research institute of Munich. It is a result at which IFO itself expresses some surprise.

A weaker investment trend had been expected in view of widespread fears of a marked fallback in the economic growth rate in 1980, and further big rises in energy and wages costs. Leading economic institutes this week predicted 2.5 per cent real economic growth next year, compared with at least four per cent this year.

However, the survey, which covers more than 4,000 companies, shows that about one-half of manufacturing companies will invest more than they did this year, and another third will invest about the same. Overall, an average investment increase in real terms of about seven per cent is planned, compared with a rate of about nine per cent.

Total manufacturing investment this year (excluding construction) is estimated at DM 45.7bn ($25.3bn), with the strongest rate of increase (17 per cent against 1978) in the key capital goods sector. This is followed by some 13 per cent in the consumer durables industry, and 10 per cent for producer goods.

Next year, according to IFO, the rate of increase in investment for producer goods will actually he bigher (12 per cent), but that for other sectors will fall somewhat. Investment by the mecbanical engineering sector will be at roughly tbe same level as this year, while that of the shipbuilding industry, already low, will fall further.

Not surprisingly, the construction industry, which is already showing signs here and there of a downturn in activity, will register a particularly marked change of course in investment plans. This year it invested DM 4.8bn, or about 20 per cent more in real terms than in 1978. In 1980 it plans to invest even in nominal terms than in 1979.

The IFO survey also reveals that a progressively higher percentage of industrial concerns are giving expansion of production facilities as the main reason for their investment. In 1978 the figure was 17 per cent. this year it is 20 per cent and next year it will be almost 25 per cent.

Nonetheless, rationalisation will be the main investment aim for 45 per cent of comnanies in 1980, compared with 44 per cent this year.

Norwegian line buys another Finnish tanker

By Lance Keyworth in Helsinki

OY WARTSILA, Finland's leading shipbuilding company, bas sold another gas tanker to the Norwegian shipping line Sig. Bergesen D.Y. and Co.

This is Bergesen's fourth gas tanker order from Wartsila and brings up to six the number of orders for these special vessels won hy Wartsila's Perno shipyard.

Esso France doubles profit

By Our Financial Staff

MORE THAN doubled first-half profits are reported by Esso SAF, the French subsidiary of Exxon of the U.S., whicb is the largest oil company in the world.

The Frencb company has emerged with earnings of FFr 146m, compared with the FFr 61m achieved during the opening six months of 1978. The figures include a contribution from Esso-Rep (an exploration unit of Esso SAF) some 17 per cent higher at FFr 84m.

The company stresses the impact during the half-year of oil price increases. These, it says, have resulted in beavy stock profits and belped boost casb flow to FFr 829m from FFr 566m a year earlier.

Increase at Swedish cement company

BY JOHN WALKER IN STOCKHOLM

KANSKA Cementgjuteriet, urope's largest public works ntractor, states in the group's ght-month report that pre-tax ofit amounted to SKr 242m 58m) compared with r 228m for the same period 1978. Pre-tax profit for the hole of 1978 amounted to SKr 346m, and it is forecast that the 1979 figure will be higher.

Group turnover in the first eight months of this year amounted to SKr 4.6bn ($1.1bn) compared with SKr 4.4bn in the corresponding period of 1978. Group turnover for the whole of thia year is expected to amount to SKr 8.1bn compared with SKr 7.6bn in 1978.

For the 1979 trading year, it is expected that the group'a profit before appropriation and taxea will slightly exceed the corresponding figure for the previous year, SKr 346m, mainly becanse of the improvement in net financial earnings.

ANALPINA IN NORTH AMERICA

A bold push for new business

BY JOHN WICKS IN ZURICH

ISS-BASED forwarding agent nalpina — the fourth largest npany in this field in the rld—made a substantial push new business in North ierica last year. As a result, company's payroll has inased by two-fifths and total ings in the U.S. and Canada oow close to $200m.

he parent company of the up, Panalpina World Transt, developed originally out Rhine shipping co-operative ned after World War I; an y into forwarding was kly made with the purchase Hans Im Obersteg & Cie. Basle. It was the former Im rsteg undertaking which ned the hasis of today's r 1.84bn ($1.16bn) forwardconcern.

fter a number of reorganisns and name changes, the pany started "branding" its ices with the present name 960. Swiss Shipping — now s Shipping and Neptun — holds 20 per cent of Panna, two share packets of 40 cent each heing in the bands of the Ernst Gohner Foundation, also of Switzerland, and the Dutch shipping group Ruys Transport.

The first U.S. operation was launched in 1947 with the takeover of Rohner, Gehrig and Co. in New York. In the same year the American affiliate set up what is now Panalpina Canada. Expansion was simultaneously being carried ont elsewhere, a process which has continned to the point where by last year only some 7 per cent of the group's total labour force of nearly 6,400 was based in Switzerland.

The U.S. organisation is today among the country's leading international freight forwarders, with six different affiliates, a 450-man payroll and locationa in all major ports in the East, West, Gulf and Great Lakes Coasts. A fillip was provided during 1978 with the acquisition of the Harle ocean and air forwarding concern, of Houston, whose network of branches gives Panalpina nearly national coverage.

The company has earmarked further acquisitions in the U.S. But Panalpina does not plan to enter the domestic freight market. It plans to concentrate on building up services associated with international traffic systems

New acquisitions are foreseen in the long run in the U.S. Panalpina wants to consolidate its position there by a further strengthening of its international traffic services—not by entering the domestic freight market. Further growth is seen through the filling-out of the geographical coverage and could result in acquisitions.

In Canada, Panalpina's local holding company (itself owned wholly hy the Swiss parent) runs three regional operational subsidiaries, as well as the haulage and service division Kimbel Cartage. Working with terminals in Montreal and Mississauga—near Toronto—and a total of ten offices around the country, business is growing fast and volumes are expected to expand hy some 26 per cent during the current year alone.

Canadian Panalpina, whose gross forwarding profit reaches and probably exceeds the "usual" rate of 10 per cent of turnover, also has its eye on further expansion. Development would here be aimed primarily at the up-and-coming western centres like Edmonton and Calgary, in both of which offices already exist.

Meanwhile, the Swiss group continues to build up business elsewhere in the New World. Last year, for example, two new hrances were opened in Venezuela and one in Columbla. At the latest count, Panalpina had a total of 22 branches in Latin America, one?half of them in Colombia.

Interim records at Hitachi and Mitsubishi Electric

BY RICHARD C. HANSON IN TOKYO

TWO OF JAPAN'S leading electric appliance makers, involved in heavy electric equipment manufacture, yesterday reported record first-half sales and net profit results at pareot company level. Economic conditions had hrightened considerably during the period with private spending for new plant and equipment and consumer spending both buoyant.

Hitachi, the leading general machinery manufacturer, said that its net profit rose 43 per cent in the six months to September 30, from the comparable year-ago half, to Y26bn ($111m). Sales gained 11 per cent to Y833hn ($3.5bn).

Mitsuhisbi Electric, the third largest integrated electric machinery maker, reported that net profit increased by 90.6 per cent to Y12.03bn. Sales rose 22 per cent to Y515bn.

In the second half of the fiscal year, to March, conditions in the economy may become considerably less favourable, as a result of higher oil prices, and subsequent inflation. Measures are expected to he taken by the Government to contain inflation, including a further tightening of credit.

Recent corporate surveys bave shown that private capital spending in the first half of the year expanded rapidly, particularly in the manufacturing sector. This growth, however, will taper off in the latter balf which may influence sales and profit growth by the heavy machinery concerns.

In spite of these clouds on the economic borizon, Hitachi expects to post a 10 per cent increase for the full year in sales, from Y1,509bn in fiscal 1978 and an operating profit increase of 23 per cent to Y100bn. It declines to estimate net profit for the year.

Mitsubishi Electric, on the other hand, is forecasting a full year net profit rise of 72 per cent to Y25bn. Sales are expected to rise 13 per cent to Y1,055bn.

Of the two companies, Mitsubishi is the less strongly affected by planned slowdowns in the expansion of public works spending this year (especially in tbe electric power generating industry). Hitachi's first half sales in this area (22 per cent of tbe total) were up 7 per cent, wbile Mitsubishi's sales gained 14 per cent, accounting for 24 per cent of overall sales.

New orders received by Hitachi and Mitsubishi in the first half were up 15 per cent and 17 per cent, respectively. Hitachi's exports in the first balf (22 per cent of sales) fell by 4 per cent. Mitsubishi's exports (16.3 per cent) rose 29.3 per cent.

The best sales gains were recorded in the home electric appliance categories, the largest sales areas for both companies. Hitachi was up 16 per cent and Mitsubishi 27 per cent.

Hitachi showed equally rapid growth in the field of electronics, especially in the semiconductor and computer business, Mitsubishi also said that it was expanding semi-conductor sales, with additional capacity added in the last balf through Y7.2hn in capital spending. Mitsubishi's sales of small office computers are booming, with the company now claiming a 30 per cent share of the domestic market.

Sales of colour televisions, bome video-tape recorders and otber consumer durables fared well in both companies. There were sbarp rises in summer sales of air conditioners and other seasonal products.

Hitachi said that it will announce consolidated results in Decemher. Traditionally, Hitachi sales and income sbow much better results on a consolidated basis because of a number of highly profitable subsidiaries.

Sharp increase in earnings at JVC

By Our Financial Staff

VICTOR COMPANY of Japan (JVC), the audio equipment manufacturer and pioneer of the VHS formula video-tape recorders, raised after-tax profit for the first half of its financial year by 85.4 per cent to Y2.91bn ($12.4m), on a parent company basis, from Y1.57bn in the same period last year.

Sales for the six months to September 30 increased by 28.4 per cent to Y112.07bn ($477m). The interim dividend is raised to Y4.5 a sbare, from Y3.75.

In 1978-79 as a whole, JVC raised parent company net profits by 26 per cent to Y3.84bn, on sales up 14 per cent to Y187.4bn. On a consolidated basis it reported net profits for tbe year of Y48.3bn, on sales of Y238.4hn, tbe first time it had released sucb figures.

North Borneo Timbers sells New Zealand stake

BY WONG SULONG IN KUALA LUMPUR

THE North Borneo Timbers Company has sold off its entire holding of 2.16m shares in Carter Holdings of New Zealand for slightly over 12m ringgit ($5.5m) realising a small profit of 114,000 ringgit.

It said the money raised would be used to finance the group's reafforestation plantation project in the east Malaysian state of Sabah and timber processing activities. The sale is in line with the company's policy of liquidating its holdings in areas which are not directly related to its timber business.

* * *

RALEIGH CYCLES BERHAD is to acquire another Malaysian bicycle manufacturer, Far East Metal Works (FEMW) for 3.884m ringgit ($1.78m). The purchase of the 3m 1 ringgit shares will be satisfied by the issue of 1.075m sbares of Raleigb, plus 1.38m ringgit casb.

Raleigh, wbich had complained abont the proliferation of small manufacturers in the Malaysian hicycle market, said that it expects to obtain substantial coast savings from the acquisition by getting some of its component parts from FEMW.

It also expects to make a pre-tax profit of not less than 750,000 ringgit from the enlarged operations for 1980. For tbe first half, ending June, Raleigh made a loss of 54,000 ringgit, largely because it did not make any sales to Nigeria, its main export market, during the period.

UOL buys share in Goldhill Square

By Georgie Lee in Singapore

UNITED OVERSEAS LAND (UOL), the major Singapore property developer, is to acquire a 25.6 per cent stake in Goldhill Developments Private Ltd. (GDPL), the owner of the proposed S$100m Goldhill Square development. This continues UOL's drive into the commercial property sector.

UOL, which is an associate of the United Overseas Bank (UOB) group, said that its 99.9 per cent owned subsidiary, United Overseas Developments (UOD), bad accepted an invitation to subscribe at par to 4.1m shares of S$1 each in GDPL.

The new shares will raise GDPL's existing issued capital of S$11.87m to almost S$16m (U.S.$7.4m).

UOL recently acquired another commercial property, Malayan Credit House, which is located in the prime, Orchard Road district.

As part of the deal, GDPL has promised to declare a dividend of at least 5 per cent for the current year, ending December, and at least 10 per cent for each subsequent year until two years after practical completion of the proposed Goldhill Square.

Another condition is that UOD may require Goldhill Properties, which is the parent company of GDPL to purchase all the GDPL shares beld by UOD at S$3 per share provided notice is given at any time from 18 months after the date of award of the main contract for Goldhill Sqnare, but not later than 36 months from the same date or practical completion of the project, whichever is the later.

Among the other development projects undertaken by GDPL are two shopping and residential complexes, both of which bave been substantially sold and are expected to make a significant contribution to the company's profit for 1979.

GDPL has secured planning approval for its Goldhill Square development, which will comprise a 26-storey triangular office tower over a three-storey sbopping podium, on 23,863 sq metres of land. The site is located next to Goldhill Plaza in the Newton Road District, just outside the central business area.

Bank of NSW offshoot ahead

BY OUR FINANCIAL STAFF

AUSTRALIAN Guarantee Corporation, the listed finance subsidiary of the Bank of New South Wales, raised its consolidated operating profit after tax by 20 per cent to A$53.42m (US$59.4m) in the year to September 30, from A$44.48m in the previous year. Revenue increased by 9.1 per cent to A$499.34m (US$555m), from A$457.89m.

The final dividend is raised to 4.375 cents a share, from 3.75 cents. This makes a total payont for the year of 8.125 cents, against 7.5 cents, on earnings a share of 25.1 cents, against 20.9 cents.

AGC expects gronp profits to rise further in the current year—but believes the growth rate will he slower than in 1978-79, reflecting increased competition in the industry and a slow improvement in the Australian economy.

Gross receivables increased in 1978-79 to A$3hn, from A$2.61bn, and net receivables to A$2.35bn, from A$2.01bn. Insurance premium income fell to A$69m from A$76m.

Bad debt write-offs came to A$17.1m, against A$16.3m, and had debt provisions to A$22.9m, against A$20.8m. There were abnormal write-offs of A$5.1m (none the previous year).

The profit for 1978-79 is struck after tax of A$41m, compared with A$35.48m in the previous year, interest of A$197.63m (A$181.63m), depreciation of A$2.29m (A$3.22m), and minorities of A$797,000 (A$251,000), but hefore net extraordinary profit of A$160,000 (A$614,000).

Lime production lifts Pretoria Portland

BY JIM JONES IN JOHANNESBURG

ONE OF South Africa's largest cement and lime producers, Pretoria Portland Cement (PPC), has reported a 5.5 per cent turnover increase from R130.8m to R138m ($167m) for the year to September 30, 1979.

Pre-tax profit advanced from R25.98m to R37.85m ($45.7m) but as previous tax offsets bave been exhausted a proportionately higber tax hill held back the increase in consolidated net profits to R4.5m for a total of R20.7m compared with R16.2m.

After transfers to reserves for replacement of equipment and capital expenditure, distributable earnings rose from 86.1 cents to 97.8 cents per sbare from whicb dividends of 35 cents against 30 cents have been declared.

Cement turnover was hit by the loss of the important Iranian export market but although this affected the latest year's sales, management is confident that alternative export markets will compensate during the current year. Confidence in export potential is underlined by the planned construction of new cement plants near coastal ports. Compared with an earlier planned R54m capital expenditure programme for the current year, plans are now to spend upwards of R61m. This will include the De Hoek cement plant 100 kilometres from Capetown and ideally placed to serve export markets.

With cement's setback last year lime production has become PPC's largest profit generator. The wholly owned subsidiary Northern Lime increased its attributable profit contribution to R6.7m from R3.6m on turnover of R38.3m. The cement division contributed a marginally lower R6.7m against R7.4m to attributable profit on turnover of R87.1m compared with R89.1m.

Management expects the current year to be better for the cement division in line with an improvement in the building and construction industries. The lime division is also expecting increased demand, although management feels that last year's rapid rate of increase is unlikely to be sustained. In Johannesburg the shares are currently trading at 530 cents.

هكذا من الأصل

Armstrong ready for battle after five takeovers

BY RAY MAUGHAM

SOMETIME around the turn of thia year, Armstrong Equipment intends to stop buying companies, for a while. In the 12 mooths to July 1, the antomotive components manufacturer mede five acquisitions, failed with an offer for Jenks & Cattell, and has since concluded a major twin deal with Guest Keen and Nettlefolds.

The expected hiatus will allow investors to draw much-needed breath. The bectic level of dealing in the last financial period was only an accelerated extension of a two-year acquisition programme. Over this time, Armstrong bas wldened its automotive components base, strengthened its hold in the fastenings market and replaced an nnweildy parts distribution network with the beginnings of a regional warehouse organisation supplying only the group's five main automotive products—shock absorbers, silencers, hrake components, batteries, and rebuilt electrical components.

The key deal was the sale of the Autoparts network of around 125 outlets to GKN which was accompanied by the purchase of GKN's fastening subsidiary, Firth Cleveland. Armstrong's net receipts, allowiog for Autoparts' debt, was £14m of which around half will be applied to a reduction of overdrafts.

Autoparts made pre-tax profits of £1.5m on sales of £22.1m in the last financial year after previous losses of around £700,000. While GKN has apent heavily in its efforts to penetrate this £1.5bn market, Armstrong had never been entirely comfortable with this form of distribution. It is now laying the groundwork for a cbain of wholesale warehouses based on its owo products to be complemented by a spread of some 200 fitting shops.

On the other side of the transaction, Firth Cleveland produced trading profits of just £14,000 in the first half of 1979 on sales of £4.5m but, characteristically, Armstrong's chairman, Mr. Harry Hooper, is convinced that the new fastening subsidiary will shortly be pulling its welgbt.

The success of other recent acquisitions offers ample evidence to back np this conviction. Crane's Screw, the fastenings subsidiary acquired in 1977, improved profits from £40,000 to £400,000 within 12 months, says Mr. Hooper. The turnround at Howard Tenens Engineering (Willenball), manufacturing replacement parts for vehicles and cabs in the commercial and agricultural sectors, is expected to be even more dramatic.

Purchased for £2.65m in April this year, the Willenhall operation makes a significant addition to Armstrong's presswork and assembly capability but is estimated to heve suffered a deficit of £800,000 pre-tax and exceptional items in the 10 months to the end of January. But Armstrong claims to have restored profitability by July and it is clear that swift action to make 300 of the 1,000-strong workforce redundant has played a major part fn this recovery.

"Our strength ia that we know what to do in engineering companies," says Mr. Hooper, "but a lot of companies don't bite the bullet." The problem, he believes, generally stems from overmanning—and very often managements know they are overmanned. "We know what manning levels should be through experience," the chairman declares "or it takes us about 10 minutes to find out."

Mr. Harry Hooper. Armstrong's chairman

He bad expected to "apply our usual treatment" to Jenks and Cattell, a manufacturer of metal pressings, steel washers and garden tools. But the £1.8m cash bid launched last May failed, leaving Armstrong to ponder the future of its 29 per cent stake in Jenks shares. At the same time, it may be possible to find reasons for this uncharacteristic failure. Jenks' main factory is sited very close to Howard Tenens' own plant and, after seeing the employmeot shake-out across the road, so to speak, it was natural for the unions to rally behind the board in its resistance.

Undeterred, Armstrong expects to make further bids before the planned respite and a steel stockholder is near the top of the shopping list. The group's component operations now need a sizeable source of steel supply, and the additional throughput that Armstrong intends to push into the stockist is designed to widen margins.

Past experience suggests that new acquisitions will come cheaply. A feature of recent deals is the important stakes Armstrong has been able to pick up ahead of a bid. Furthermore, the group has been able to pull off deals substantially below asset values. Firth Cleveland's net worth is £3.3m while the other five deals in the last financial year came in at an average 22 per cent discount to net worth.

The obvious inference is that Armstrong is buying into sectors that have become unfashionable. Commenting on its own fastenings operations, for example, BSG International observed recently that althougb there were signs of an improvement in the distribution field where there was freedom to buy from the most competitive sources abroad, "British manufacturing costs of fasteners are generally no longer economic."

The prognosis is certainly gloomy and Armstrong recognises that "the dissolution of areas of mechanical engineering in the UK does not create a healthy climate for rapid expansion." Mr. Hooper, however, is determined to "pit our ability against this slide" and insists that the fastening division remains "bighly profitable."

Conceding that "we could do a lot more if we had a motor industry in this country," one of Mr. Hooper's recurrent themes is the regeneration of the Britisb industrial base. He admits that Armstrong is rowing against the tide and calculates that external strikes probably clipped last year's profits by around £2.5m. Instead of the stock market's original bopes of profits in excess of £12m last year, they were only marginally up at £8.7m.

Tbe chairman admits that the recent engineering strike "was much more disastrous than people believe" and is not yet certain whether the group made any money in the first quarter of the current financial year. Although Armstrong expects to pull back very quickly, annual budgets have been trimmed by about £1m pre-tax.

But, once again, Mr. Hooper is bullish for the current year. The range of original equipment products for the automotive industry has been augmented by the acquisition of Dynac, producing batteries, in a £537,000 deal last May, and Hillcrest Engineering was added to the Gandy Friction range of brake pads aod clutch face linings for £340,000 in June last year.

Traditional expertise in shock absorbers and exhaost systems is expected to make much of the running. The concept of the "world car" has not been lost on Armstrong and while Mr. Hooper watches from his headquarters, with some irritation, the flood of imported Fords coming through the docks at nearby Hull, the group has developed important operations in Spain, where Ford is the group's major customer (from an admittedly hroad apread)

Penetration of tbe French market has proved rather more difficult. Newton, a shock absorber manufacturer located west of Paris was acquired recently for £400,000 and, as Mr. Hooper admits: "It was the largest company we could get." Capacity, however, has been raised by the transfer of redundant shock absorber plant since the Canadian manufacturing operation was closed just over a year ago.

The group will not be tempted into the U.S. manufacturing sector, on the other hand, believing that the line of management communication over 3,000 miles is just too long. So it remains dependent on the evolvement of European cross-frontier sourcing. It may be significant that Armstrong has recently won its first major order for ailencer original equipment. This follows its success in cutting production costs by a third on the introduction of computer controlled machinery allied to weld-less jointing. The silencer, built at the ex-Imperial Typewriter factory in Hull, wlll go into Ford's Erika which replaces the Escort next June.

The track record, allowing for tbe strike-induced plateau last year, is good and prospects for shock absorbers and exhaust systems look promising. Much, bowever, depends on Armstrong's brave attempt to strike out against fashion and "the degradation of Britain's industry."

ENERGY REVIEW: CANADIAN PRICING PROBLEMS

BY JIM RUSK AND JOHN GRIFFITHS

Alberta-Ontario oil tug-of-war

ALBERTA'S oil industry is at the centre of one of the major controversies putting pressure on Canada's fragile political balance. At the end of the year, the oil-pricing agreement between the federal government and the government of Alberta runs out and, for some months now, the political sparks have been flying as Canada's new conservative government tries to find a compromise between Alberta, the main oil-producing province, and Ontario, the heart of Canada's industrial base.

Since the mid-1970s, Canadian policy has been to push oil prices to OPEC levels, to promote conservation of a dwindling supply of conventional light crude oils, attract investment in the production of heavier and non-conventional oil sources and staunch the drain on the federal treasury of a costly programme by which oil imported into eastern Canada is subsidised to bring its price down to Canadian levels. To achieve this, the policy has been to increase the price of oil by C$1 a barrel each six months. But because OPEC has increased the price of oil so rapidly, the gap between Canadian and OPEC prices has widened rather than narrowed. Alberta's Premier Peter Lougheed has been insisting that the goal of Canadian policy must be to get Canadian prices to world levels as soon as possible, a natural position for a head of a government whose provincial coffers garner half of any price increase. Ontario's Premier William Davis has been adamant in his stand that Canadian policy should ignore world prices as they are rigged and that the damage to Ontario's industry outweighs any benefits of a rapid price escalation.

Sources close to Mr. Lougheed and the Canadian Government say a compromise is very close, and Canada's Prime Minister, Mr. Joe Clark, is proposing a federal-provincial meeting to iron out final details of a package which might emerge by next week. The rate of increase in the price of oil will be at least doubled. The current Canadian price of C$13.75 a barrel will go up by at least C$2 a barrel on January 1 and by the same amount on July 1. While the package may include an increase in Federal excise tax on petrol, Mr. Clark has suggested that Canadian prices should not rise so fast that the price in Canada will be higher than the price paid by U.S. refiners in Chicago. While this leaves room for the larger price rises expected next year, it also will allay Ontario's fears that its industry will lose competitiveness.

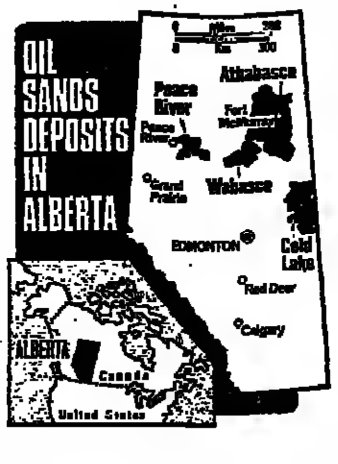
The other elements in the policy include a change in the price formula for natural gas, some form of relief for low and middle income consumers—although this will not be tied to oil use as the Government wishes to promote conservation—and the establishment of some sort of recycling facility for the petrodollars that will flow to Alberta's coffers.

The recycling facility, which is likely to take the form of an investment fund in which all provinces and the federal government participate, will put some of the increased flow of cash to Alberta from the accelerated price increases back into energy projects in other provinces. While all participants will contribute equity to the facility, the federal government is looking to Alberta to take up most of its paper, for the province has been pouring 30 per cent of its non-renewable resource revenue into a trust fund which is making investments against the day the oil runs out. But this has already reached C$5bn and its managers are having problems finding appropriate investments for it. Its partial use for investment in energy projects throughout Canada would be of the long-term nature which Mr. Lougheed has suggested the fund could make and it would lower the criticism of the fund which is building up throughout Canada.

Reserves drop

Mr. Lougheed is correct when he says Alberta does have to plan against the day that conventional crude oil supplies run out. The latest report of the province's Energy Resources Conservation Board shows that Alberta's established oil reserves declined for the ninth consecutive year in 1978. Remaining established reserves peaked in 1969 and have fallen steadily since then. Nevertheless, while production has dropped from a 1973 peak of 523m barrels a year to about 377m barrels during the last three years, the board expects annual additions to reserves to average 150m barrels over the next five years. This is a better performance than the average of 110m barrels a year through the first nine years of the 1970s, mainly because of West Pembina, a newly-discovered field near Edmonton, which may contain up to ½bn barrels. Because of sluggish gas markets, the industry has shifted a portion of its exploration effort, which has been going flat-out, to oil prone areas. Most of the attention is being given to deeper formations ignored in earlier exploration efforts, and which require extremely sophisticated exploration techniques to locate.

The industry has also received a boost this year from the flat-out operation of the oil pipeline from Sarnia, Ontario, to the Montreal market. Western Canadian crude is being pumped into Montreal to displace imports and the chairman of the provincial government's oil marketing agency, Wayne Minion, suggests production will be up by close to 20 per cent. However, it is difficult to see how this pace can be maintained unless supplies can be developed quickly of non-conventional oil, from the up to 1,000bn barrels locked in Alberta's legendary Athabasca tar sands and the heavy oil deposits of the Peace region and Cold Lake.



Increasing crude oil prices is seen by Alberta, the federal government and the oil industry as basic to solving the problem of declining supplies. Quite apart from conservation, the improved returns would promote costly techniques for squeezing the last remaining drops of oil out of conventional reservoirs. The provincial Energy Resources Board estimates that after 1983, when enhanced recovery techniques are likely to become technically and commercially feasible, average annual additions will increase gradually, peaking at 176m barrels per year by the 1990s.

Even so, M. Hana Maciej, technical director of the Canadian Petroleum Association, says that the 1970s have seen the passage of the era of the conventional oil industry in the province and that the 1980s will be the era of non-conventional crude.

The financial, environmental and technological hurdles to extracting oil from the glutinous mess which makes up the Alberta tar sands and the only slightly less problematical heavy oil deposits of the Cold Lake and Peace River regions, remain high. But particularly with the upsurge in world oil prices of the past 12 months, the balance of economic extraction has swung in their favour.

It remains a matter of speculation just how much of the 1,000bn barrels is extractable. But the technology is moving ahead, albeit slowly, and the world price structure applied to heavy oil because of the high, and high-risk, investment involved is producing a lengthening line-up of concerns ready to have a go.

At the moment, there are only two commercial-scale operators: Syncrude's $C2.4bn oil sands plant went on-stream last year, but despite the building up of a number of back-up facilities to cope with a number of anticipated production problems, further snags have been struck. At the moment, the plant's No. 2 coker unit is shut down, and production is running at 50,000 barrels per day instead of the 100,000 b/d it has been managing in recent months. The plant should be working normally soon and heading towards its rated output of 129,000 b/d; there is also the prospect of adding a further 60,000 b/d later. But the latest problems come on top of others encountered last winter: the stockpiles of oil sands mountains built up for processing froze to a solidity that heavily taxed equipment, and there have been other less-major problems. Nevertheless, although Syncrude is not operating profitably in these early days, both company and the provincial government — which has a C$229m stake in the project — are confident that it will prove its worth over its expected 25-year lifetime.

The other existing project is the veteran of the sands: Great Canadian Oil Sands started mining them back in 1967. But mitigating against its profitability was the relatively small scale of extraction, a maximum 45,000 barrels a day if nothing went wrong. Recently, GCOS merged with Sun Oil to become Suncor, and has approval to add about 12,000 bpd in capacity, possibly operational in two years.

Meanwhile, two other major projects have been approved. The first is that of the Alsands Project Group, a consortium of nine companies headed by Shell Canada, which is proposing a plant in the Athabasca sands capable of producing 140,000 barrels a day of synthetic crude oil and liquified petroleum gases; the second, a heavy oil extraction plant proposed for the Cold Lake region by Esso Resources Canada, which would also provide 140,000 bpd of crude. Each would require capital investment of C$5bn-plus, and would not come on stream before 1986 at earliest. However, despite Alberta's declared willingness to remove royalty and tax hurdles to bring such plants on stream, there is still a good deal of haggling to be done on just how revenues will be shared between industry, Albertan and federal governments. So far, the horse-trading has been done on a plant-by-plant basis, and the industry is still looking for governments to produce an overall regime for non-conventional oil plants which, they say, is necessary if the lead time of six or seven years for currently planned plants is to be cut and a succession of such plants brought on stream.

What happens to the discussions of the Alsands and Esso Resources projects will probably decide the pace at which other companies move from the pilot project stage to full-scale commercial exploitation. More than half-a-dozen pilot projects are proceeding of varying size, into which an assortment of companies has sunk nearly $1bn. Among them is BP, whose project in the Cold Lake area is investigating variations on the "huff and puff" technique most favoured in the heavy oil sands—steam is "huffed" deep into the deposits to soften the oil then, in theory, the oil "puffs" to the surface. BP's variation is to add water injection to keep up pressure on the oil being displaced; others, working with the provincial Alberta Oil Sands Technology and Research Authority, are trying similar diverse techniques.

Gas bonanza

Meanwhile, a strong and successful exploration effort for natural gas during the 1970s has provided Alberta with far more than it can sell. And, while both Canada and the U.S. must import hydrocarbons, the paradoxical situation of the Alberta gas industry seems likely to persist for some time. Significant increases in gas sales are not possible without Canadian Government approval of major new gas exports or without pricing policy changes to boost domestic sales. Both changes in policy seem possible but, at the present pace of policy developments in the gas industry, unlikely before the end of 1980. And, unless there are positive signs that the needed developments are going to take place, the industry has warned that there will be a slow-down in industrial activity.

Canada has pegged the export price of gas to the world price of oil—at 85 per cent of the oil price on an energy equivalent basis—and on November 4, it will go to US$3.45 per 1,000 cu ft, 65 cents higher than at present, though still below the $3.60 per 1,000 cu ft negotiated recently on Mexican gas supplies to the U.S. If OPEC raises its prices later this year, as expected, another Canadian increase would be required early in the new year.

The last five years have been the most successful in the industry's history with, on average, annual discoveries of 113 bn cubic metres of gas, nearly double the industry's production, according to the Alberta Energy Resources Conservation Board. The board estimates that only 60 to 65 per cent of the gas potential has been proven at present price policy and technology and only 43 per cent of reserves if prices increase to higher levels than presently foreseen or if technological advances that would increase production from tight formations are realised.

While the board expects annual additions to reserves to continue to fluctuate widely as they have in the past, it also expects that the average will gradually decline as the opportunities for new discoveries decrease. By 1990, it believes that additions to reserves will drop to 31bn cubic metres a year, and to 20bn cubic metres by 2000. In the short run, the slowing in demand is starting to pinch some of the smaller producers who have not generated a cash flow from their recent discoveries. While the situation is not yet tight enough to lead to a general slowdown in industry activity, the view is that there will have to be firm indications by next spring that the policy logjam will be broken or exploration plans for the winter of 1980-81 will be cut back.

The gas industry has proposed new exports totalling 9 trillion cubic feet over the next 15 years. The National Energy Board is expected to report its findings on the export applications to the Canadian Government in November. But some observers expect the board will approve conditional exports of only two to three trillion cubic feet over the next five years.

Depending on the state of negotiations between Canada and the U.S. on the building of the gas pipeline from Alaska to the lower 48 states through Canada, the exports could be part of a plan for the pre-building of the southern legs of the Alaskan highway pipeline system.

The National Energy Board is also considering a plan to extend the domestic gas pipeline system east from Montreal, while such a pipeline would increase domestic markets for Alberta gas and substitute gas for some imported oil, the economics of such a line are generally considered dubious.

Companies and Markets

CURRENCIES, MONEY and GOLD

£ and $ quiet

STERLING ROSE slightly while the dollar eased in very quiet foreign exchange trading. Currencies generally moved within a narrow range with little to influence the market. The only exception was the Canadian dollar which gained ground against its U.S. counterpart on the news of a rise in Canada's bank rate to a record 14 per cent.

The pound opened at $2.1145-2.1155 and touched a best level of $2.1165-2.1175 during the morning. Shortly before lunch sterling fell to $2.1090-2.1100, partly reflecting the lack of any change in Bank of England Minimum Lending Rate, or banking corset regulations. Underlying sentiment remained good however, and sterling closed at $2.1125-2.1135, a rise of 20 points on the day. The pound's trade-weighted index, as calculated by the Bank of England, rose to 67.8 from 67.7, after standing at 67.7 at noon and in the morning.

The dollar's index, on Bank of England figures, fell to 86.3 from 86.4. The U.S. currency declined to DM 1.8015 from DM 1.8050 against the D-mark, to SwFr 1.6565 from SwFr 1.6575 against the Swiss franc, and to Y233.90 from Y234.45 in terms of the Japanese yen.

FRANKFURT—There was no sign of intervention by the Bundesbank at the fixing or in open market trading. The dollar was fixed at DM 1.8010 against the Deutsche Mark, compared with DM 1.8035 previously. It traded within a range of DM 1.7990 to DM 1.8013 in the morning, showing little reaction to Wednesday's announcement of a further issue of Carter Bonds.

BRUSSELS—The dollar eased to BFr 28.98 against the Belgian franc at the fixing, from BFr 29.00 on Wednesday. Sterling fell to BFr 61.17½ from BFr 61.20½, and most members of the European Monetary System also lost ground against the Belgian currency. The Deutsche Mark eased to BFr 16.0825 from BFr 16.0835, the Danish krone to BFr 5.4875 from BFr 5.5085, and the Dutch guilder—now the weakest member of the EMS—to BFr 14.4805 from BFr 14.50.

AMSTERDAM — The guilder lost ground against the dollar and sterling, and remained the weakest member of the EMS. The dollar rose to Fl 2.0010 from Fl 2.0000 at the fixing, and the pound to Fl 4.2270 from Fl 4.2240. The D-mark improved to Fl 1.11055 from Fl 1.10925, and the Belgian franc — the second weakest EMS currency — to Fl 6.9010 per 100 francs from Fl 6.8950.

MILAN—EMS currencies were generally weaker against the lira, with the D-mark falling to L460.22 from L460.33 at the fixing, the French franc to L196.20 from L196.46, and the Dutch guilder to L414.43 from L414.96. The dollar declined to L829.30 from L830.05, and sterling to L1,751 from L1,752. The Swiss franc rose to L500.26 from L499.74, and the Japanese yen was unchanged at L3.547. The Irish punt was the only stronger EMS currency.

TOKYO — The dollar declined in fairly heavy trading in the foreign exchange market yesterday. It closed at Y233.77½ against the yen, compared with Y234.80 previously. The Bank of Japan, which had sold dollars to support the yen on the last eight consecutive trading days, was not seen to intervene yesterday. Hopes of an improvement in world oil supplies and the lack of a rise in the U.S. discount rate or further moves to boost the dollar, tended to reduce the pressure on the yen.

THE POUND SPOT AND FORWARD

Oct. 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1090-2.1175	2.1125-2.1135	par-0.10c dis	−2.84	0.30-0.40dis	−0.66
Canada	2.4860-2.4935	2.4895-2.4905	0.20-0.10c pm	0.72	0.22-0.12 pm	0.27
Nethlnd.	4.21-4.24	4.22¾-4.23¾	2¼-1¼c pm	5.32	8-5 pm	3.20
Belgium	61.00-61.35	61.20-61.30	5c pm-5c dis	par	12-2 pm	0.46
Denmark	11.08-11.27	11.19½-11.20½	1½-3¾ore dis	−2.96	2½-10½ dis	−3.39
Ireland	1.0170-1.0230	1.0193-1.0203	0.17-0.27p dis	−2.59	0.70-0.80dis	−2.94
W. Ger.	3.79¾-3.82¼	3.80¼-3.81¼	2½-1½pf pm	3.69	6½-5½ pm	5.91
Portugal	106.20-107.30	106.30-106.60	55-105c dis	−9.02	155-255 dis	−7.70
Spain	139.60-140.00	139.65-139.75	10-60c dis	−3.01	125-255 dis	−5.44
Italy	1,750-1,755	1,751½-1,752½	1½-3½ lire dis	−1.71	8½-10½ dis	−2.11
Norway	10.55-10.60	10.58-10.59	½-2½ore dis	−3.40	5¾-7¾ dis	−2.36
France	8.90-8.94	8.91½-8.92½	1½-½c pm	1.68	2¼-1½ pm	1.01
Sweden	8.94-8.98	8.96-8.97	1½ore pm-½ dis	0.33	4¾-2¾ pm	1.45
Japan	490-498	494-495	3.30-3.05y pm	7.70	2.40-8.10 pm	6.67
Austria	27.37-27.50	27.40-27.45	20-10gro pm	8.56	45-35 pm	5.83
Switz.	3.48-3.51	3.49¼-3.50¼	4-3c pm	11.99	10½-9½ pm	11.42

Belgian rate is for convertible francs. Financial franc 62.80-62.90c pm. Six-month forward dollar 0.38-0.45c dis. 12-month 0.15-0.30c dis.

THE DOLLAR SPOT AND FORWARD

Oct. 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1090-2.1175	2.1125-2.1135	0.03-0.08c dis	−0.31	0.24-0.30dis	−0.51
Ireland†	2.0670-2.0736	2.0700-2.0730	0.50-0.30c pm	2.32	0.95-0.70 pm	1.59
Canada	1.1785-1.1805	1.1768-1.1771	0.05-0.02c pm	0.36	0.24-0.21 pm	0.76
Nethlnd.	1.9975-2.0030	2.0010-2.0025	1.06-0.96c pm	6.05	3.05-2.95 pm	5.99
Belgium	28.94-29.00	28.97½-28.99	3-1.5c pm	0.93	10-8 pm	1.24
Denmark	5.2530-5.3036	5.3010-5.3025	1.10-1.60ore dis	−3.05	3.50-4 dis	−2.83
W. Ger.	1.7975-1.8025	1.8010-1.8020	1.13-1.03pf pm	7.19	3.05-2.95 pm	8.66
Portugal	50.30-50.60	50.45-50.55	17-32c dis	−5.82	47-82 dis	−5.11
Spain	66.12-66.21	66.13-66.12	10-20c dis	−2.72	55-85 dis	−4.23
Italy	828.90-829.75	828.95-829.45	0.30-0.80 lire dis	−0.79	2.50-3 dis	−1.33
Norway	5.0020-5.0090	5.0060-5.0070	0.50-1.50ore dis	−2.40	2.50-3.50dis	−2.40
France	4.2200-4.2280	4.2225-4.2235	0.70-0.55c pm	1.77	1.55-1.30 pm	1.35
Sweden	4.2390-4.2430	4.2410-4.2420	0.60-0.40ore pm	1.41	2.60-2.40 pm	2.36
Japan	233.40-234.00	233.85-233.95	1.65-1.45y pm	7.96	4.35-4.15 pm	7.27
Austria	12.96½-12.99	12.97½-12.98½	8.20-7.70gro pm	7.35	22.50-27 pm	8.70
Switz.	1.6480-1.6590	1.6560-1.6570	1.84-1.79c pm	13.14	5.15-5.10 pm	12.37

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Oct. 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.611818	0.654945
U.S. $	12	1.28991	1.38098
Canadian $	14	1.52687	1.63428
Austria Sch.	3¾	16.7672	17.9455
Belgian F.	10	37.4074	40.0096
Danish K.	11	6.79386	7.26864
D Mark	5	2.38833	2.48792
Guilder	8	2.27982	2.76155
French Fr.	8½	5.44795	5.83176
Lira	18	1070.63	1146.18
Yen	6¼	302.742	323.626
Norwgn. Kr.	7	6.46864	6.99064
Spanish Pts.	8	85.4140	91.4190
Swedish Kr.	8	5.46798	5.85559
Swiss Fr.	1	2.14409	2.29100

CURRENCY MOVEMENTS

Oct. 25	Bank of England Index	Morgan Guaranty changes %
Sterling	67.8	−37.8
U.S. dollar	86.3	−6.8
Canadian dollar	80.5	−17.5
Austrian schilling	154.5	+23.0
Belgian franc	115.2	+14.8
Danish kroner	114.3	+8.8
Deutsche mark	165.2	+45.0
Swiss franc	189.0	+81.4
Guilder	123.9	+12.9
French franc	100.3	−6.4
Lira	54.8	−49.6
Yen	182.4	+81.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Oct. 25	£	$		£ Note Rates
Argentina Peso	5187-5207	1507-1517	Austria	27.00-28.00
Australia Dollar	1.9075-1.9175	0.9030-0.9056	Belgium	62.00-63.00
Brazil Cruzeiro	65.57-64.57	30.13-30.60	Denmark	11.00-11.20
Finland Markka	8.03-8.05	3.8080-3.8040	France	8.85-9.00
Greek Drachma	78.455-80.345	37.13-37.30	Germany	3.75-3.85
Hong Kong Dollar	10.68½-10.71½	2.0780-5.0810	Italy	17.60-18.00
Iran Rial	148.5-155.5	70.25-73.50	Japan	4.90-5.00
Kuwait Dinar (KD)	0.586-0.595	0.2790-0.2795	Netherlands	4.15-4.20
Luxembourg Frc.	61.20-61.30	28.97-28.99	Norway	10.50-10.70
Malaysia Dollar	4.6075-4.6175	2.1800-2.1830	Portugal	104-110
New Zealand Dlr.	2.1810-2.1710	1.0235-1.0255	Spain	138-144
Saudi Arab. Riyal	7.06-7.16	3.3645-3.3695	Switzerland	3.45-3.60
Singapore Dollar	4.59-4.60	2.1780-2.1750	United States	2.10-2.12
Sth. African Rand	1.7430-1.7530	0.8280-0.8290	Yugoslavia	45-47

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.8456	40.0320	+0.47	+0.47	±1.53
Danish Krone	7.36594	7.28395	−1.11	−1.11	±1.635
German D-Mark	2.48557	2.48312	+0.10	+0.10	±1.125
French Franc	5.85522	5.83556	−0.34	−0.34	±1.3575
Dutch Guilder	2.74748	2.76467	+0.63	+0.63	±1.515
Irish Punt	0.669141	0.667972	−0.17	−0.17	±1.665
Italian Lira	1159.42	1145.50	−1.20	−1.20	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Oct. 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.113	3.810	494.5	8.923	3.503	4.233	1752.	2.490	61.25
U.S. Dollar	0.473	1.	1.803	234.0	4.225	1.658	2.003	829.2	1.178	28.22
Deutschemark	0.262	0.555	1.	129.8	2.342	0.919	1.111	462.8	0.654	16.08
Japanese Yen 1,000	2.022	4.273	7.705	1000.	18.04	7.083	8.559	3545.	5.035	123.9
French Franc 10	1.121	2.368	4.270	554.2	10.	3.925	4.744	1964.	2.791	68.65
Swiss Franc	0.286	0.603	1.088	141.2	2.547	1.	1.208	500.2	0.711	17.48
Dutch Guilder	0.236	0.499	0.900	116.8	2.108	0.828	1.	413.9	0.588	14.47
Italian Lira 1,000	0.571	1.206	2.175	282.2	5.093	1.922	2.416	1000.	1.421	34.95
Canadian Dollar	0.402	0.849	1.530	198.8	3.583	1.403	1.700	703.6	1.	24.60
Belgian Franc 100	1.633	3.450	6.220	807.3	14.57	5.717	6.910	2860.	4.065	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.95-15.05 per cent; three months 14.45-14.55 per cent; six months 13.55-13.45 per cent; one year 14.15-14.25 per cent.

Oct. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	nil	15¼-14¼	10½-11½	8½-8¾	⅝-⅞	7⅞-8	11⅜-11⅞	12-14	—	5⅞-6⅛
7 days' notice	14½-15	14¼-14¼	12½-13½	8¼-8¾	2¼-2⅞	8-8⅛	11⅜-11⅞	14 12	16⅛-13⅞	6⅞-7
Month	14⅝-15⅛	15⅛-15¼	13½-13½	9¼-9¾	8¼-2¼	8⅛-8¼	12¼-12⅜	14⅛-15⅛	15⅛-15⅛	7⅞-7⅞
Three months	14⅝-14¾	15⅛-15⅛	13½-13⅞	9¼-9⅞	8½-8⅞	8⅜-8⅛	12½-12⅛	15⅛-14⅛	15⅛-15⅛	8-8¼
Six months	14¼-15½	15⅛-15¼	13½-14⅛	8¾-10	8⅜-3⅛	8½-8⅜	13⅜-13⅞	15⅛-17	15⅛-16⅛	8½-8⅝
One year	14⅛-14¼	14½-14⅞	13.35⅛	9⅞-8⅛	3⅞-3⅞	8⅛-8⅝	13⅛-13⅞	15⅛-17	—	—

Long-term Eurodollar two years 12⅞-13 per cent; three years 12⅞-13⅛ per cent; four years 11¾-12⅛ per cent; five years 11⅞-12 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Rates move higher

Interest rates continued to climb on both sides of the Atlantic yesterday as Canada put up its Bank rate to a record 14 per cent and French call money touched a three-year high at 11⅞ per cent. The Canadian Bank rate has now been pushed up five times this year, having stood at 10¾ per cent in January, and the rise reflects in part the authorities' desire to compensate for higher interest rates in the U.S. Canadian prime rates were also in the move with Bank of Montreal increasing its prime lending rate from 13½ per cent to 15 per cent, followed soon after by the Royal Bank of Canada which pushed its rate up to 14¾ per cent from 13½ per cent.

In Paris period rates were also firmer, and rises apart from call money to 11⅞ per cent from 11⅝ per cent, included one-month money at 12¼-12⅜ per cent compared with 12-12⅛ per cent and three-month money to 12⅜-12⅝ per cent from 12⅛-12⅜ per cent. Six-month funds rose to 12¼-12⅝ per cent from 12¼-12⅜ per cent and the one year rate was quoted unchanged at 12⅜-12⅝ per cent.

FRANKFURT — Interest rates were sharply firmer yesterday with call money at 8.60-8.70 per cent, from 8.60-8.75 per cent previously and one-month money at 8.70-8.90 per cent compared with 8.50-8.75 per cent. The three-month rate rose to 9.00-9.60 per cent from 8.95-9.20 per cent and six-month funds were firmer at 8.75-9.55 per cent from 8.50-8.95 per cent. 12-month money stood at 8.60-8.70 per cent from 8.25-8.70 per cent previously.

BRUSSELS—Deposit rates for the Belgian franc (commercial) continued to be quoted with rather wide spreads at the longer end, and tended to firm just a little where changed. One-month deposits stood at 14¼-14⅞ per cent against 14¼-14⅞ per cent and the three-month rate rose from 14¼-14⅞ per cent to 14¼-14⅞ per cent. Six-month deposits stood at 13¼-14 per cent against 13¼-14 per cent and the 12-month rate at 12⅞-14 per cent compared with 12¾-14 per cent.

HONG KONG—Conditions in the money market were easy, with call money at 10 per cent and overnight business dealt at 6⅞ per cent.

MONEY RATES

NEW YORK	
Prime Rate	14½-15
Fed Funds	15-15¼
Treasury Bills (13-week)	12.40
Treasury Bills (26-week)	12.85
GERMANY	
Discount Rate	5
Overnight Rate	8.60
One month	8.80
Three months	9.00
Six months	8.80
FRANCE	
Discount Rate	9.5
Overnight Rate	11.875
One month	12.1875
Three months	12.5625
Six months	12.5625
JAPAN	
Discount Rate	6.25
Call (Unconditional)	6.6125
Bills Discount (three-month)	6.6125

GOLD

Slight fall

Gold fell $2 to close at $391-393 ($396.55 per ounce), in the after a very quiet day. It opened afternoon, compared with at $393⅝-394¼, the highest level FFr 53,750 ($396.15) in the of the day, and was fixed at morning and FFr 53,650 $391.20 in the morning and ($395.09) Wednesday afternoon. $391.50 in the afternoon. The In Frankfurt the 12½-kilo bar lowest point touched was was fixed at DM 22,640 per kilo $388-390. ($390.94 per ounce) compared In Paris the 12½-kilo gold bar with DM 22,425 ($387.01) was fixed at FFr 53,750 per kilo previously.

	October 25	October 24
Gold Bullion (fine ounce)		
Close	$391-393	$393-395
Opening	$393⅝-394¼	$393-393½
Morning fixing	$391.20	$393.20
Afternoon fixing	$391.50	$396.90
Gold Coins		
Krugerrand	[illegible]	[illegible]
Mapleleaf	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
King Sov	[illegible]	[illegible]
Victoria Sov	[illegible]	[illegible]
Fr 20 Napoleons	[illegible]	[illegible]
50 pesos Mexico	[illegible]	[illegible]
100 Cor. Austria	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

UK MONEY MARKET

Moderate help

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The shortage of credit continued in the London money market yesterday, and the authorities gave assistance on a moderate scale. This comprised small purchases of Treasury bills and a small number of corporation bills, all direct from the discount houses. They also bought a small number of eligible bank bills for resale at a fixed future date. The market became increasingly completed by ... but in the absence lent to one or two houses at MLR ... of any official statement rates for overnight ... houses were ... interest movements during the per cent for secured call loans ... something of a the start with ... money down to 13 per cent.

In the interbank market ... overnight money opened ... per cent a level which saw a lot of business. During the afternoon rates eased to 12-13 per cent.

Period rates continued to climb with one, two and three month rates approaching somewhere nearer the same level as Euro-sterling. Following rumours of some announcement by the authorities at 12.30 p.m. the ... started at 14⅝-14 7/16 per cent rose to 14⅝-14¾ per cent but settled back to 14⅛-14⅝ per cent still well up from Wednesday's level of 14¼-14⅜ per cent. Quotations were given on a wide spread, generally reflecting market uncertainty.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Oct. 25 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12-14⅛	—	—	—	14½	13-14	—	—	—
2 days notice	—	—	14¼-14⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14¼-14⅜	14⅜-14⅝	—	—	—	—	—	—	—
One month	14⅛-14¼	14¼-14⅝	14¼-14⅝	—	14¾	14½	13⅝-14	—	—	—
Two months	14⅝-14½	14⅛-14⅝	14¼-14⅝	15⅝-15⅜	14¾	14⅞	13¾-13⅞	13¼-13⅜	14⅞-14½	14¾
Three months	14⅝-14½	14⅝-14 11/16	—	15-14¾	14¾	—	13¾-13⅛	13 11/16-13⅝	14⅜-14	14⅝
Six months	14¾-14⅝	14⅝-14¾	14⅛-14½	14¾-14½	14¾	15¼	13¾-13⅞	13⅞	14-14⅝	14⅝
Nine months	14⅛-14¼	14⅛-14⅝	14 7/16-14½	14½-14½	14¾	—	—	—	13¾	14⅝
One year	14-13¾	14⅛-14⅜	—	14¾-14⅜	14½	—	—	—	—	—
Two years	—	—	15⅜-14	14¼-14	14⅝	—	—	—	—	—
			15⅜-13⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days notice, others seven days fixed. ♦ Long-term local authority mortgage rates nominally three years 13½-13¾ per cent; four years 13½-13¾ per cent; five years 13½-13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞-14½ per cent; four-month trade bills 14⅞ per cent.

Approximate selling rates for one-month Treasury bills 13 7/32-13⅞ per cent; two-month 13 19-64ths-13⅝ per cent; three months 13 25-64ths-13⅝ per cent. Approximate rate for one-month bank bills 14½-14⅝ per cent two-month 14⅞-14¼ per cent and three-month 14⅞-14¼ per cent; one-month trade bills 14¼ per cent; two-month 14¾ per cent and three-month 14⅝ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14½ per cent from October 1, 1979. Clearing Bank Deposit Rates for sums at seven days notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills Average tender rates of discount 13.6346 per cent.

COMPANY NOTICES

CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED
(Incorporated under the laws of Canada)

DIRECTORS
A. KALMANSON J. M. KALMANSON
J. A. C. HOARE M. R. LAMPARD

NOTICE OF A SPECIAL GENERAL MEETING AND OF THE EIGHTEENTH ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a Special General Meeting and the Eighteenth Annual Meeting of Shareholders of Canadian Overseas Packaging Industries Limited, will be held at Suite 900, 44 Prince William Street, Saint John, New Brunswick, Canada, E2L 4S6 on Friday, the 30th day of November, 1979 at 11.00 a.m. for the following purposes:

As to the Special General Meeting of Shareholders—

1. to consider and, if deemed fit, to approve by Special resolution By-law No. Eighteen of the By-laws of the Company, enacted by the board of directors, authorising the Company to make application for a Certificate of Continuance pursuant to the Canada Business Corporations Act as referred to in the Management Proxy Circular and as set out in the copy of By-law No. Eighteen and in the form of Articles of Continuance which accompany this notice;
2. to consider and, if deemed fit, to sanction By-law 1079-1 of the By-laws of the Company, enacted by the board of directors, replacing the general administrative By-laws of the Company in order that same shall conform to the requirements of the said Act; a copy of By-law 1979-1 accompanies this notice.

As to the Eighteenth Annual Meeting of Shareholders—

3. to receive and consider the report of the Directors and the consolidated financial statements of the Company and its subsidiaries for the year ended June 30, 1979, together with the report of the Auditors thereon;
4. to elect Directors;
5. to determine the remuneration of the Directors for the year ended June 30, 1979;
6. to appoint Auditors and to authorise the Directors to fix their remuneration; and
7. to transact such other business as may be transacted at an Annual Meeting.

The Directors have fixed November 1, 1979 as the record date for determining the Shareholders who will be entitled to vote at the Special General Meeting and Annual Meeting.

Shareholders who are unable to attend the foregoing Meeting are requested to complete and return the enclosed form of Proxy to the relevant address stated thereon at least 48 hours before the time appointed for the holding of the said Meeting.

By Order of the Board,
M. C. JOHNSTON, Q.C.
Secretary.

October 26, 1979.
Head Office Mailing Address:
P.O. Box 7289, Postal Station "A"
Saint John, New Brunswick
Canada, E2L 4S6.

LONDON BRICK COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Ordinary Stock will be closed on 20th November 1979.

By Order of the Board,
H. O. HOWE, Secretary.

Registrars:
The General Agency & Trust Limited,
Granby House,
95, Southwark Street,
London, SE1 0JA.

GRATTAN WAREHOUSES LIMITED

NOTICE IS HEREBY GIVEN that the Register of Ordinary Stockholders will be closed from 5th November to 9th November both dates inclusive for the purpose of preparing Dividend Warrants payable on 30th November, 1979.

By Order of the Board,
Secretary.

LEGAL NOTICE

No. 002857 of 1979

In the HIGH COURT OF JUSTICE Chancery Division. In the Matter of PENTA HOTELS (U.K.) LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 5th October 1979 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Share Premium Account of the above-named Company from £2,700,000 to £1,200,000. The reserve of £1,500,000 arising on the proposed reduction of Share Premium Account taking effect will be applied in paying up in full loan notes to the face value of £1,500,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Oliver at the Royal Courts of Justice, Strand, London WC2 on Monday the 5th day of November 1979.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Share Premium Account should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 23rd day of October, 1979.
LOVELL, WHITE & KING,
21 Holborn Viaduct,
London EC1A 2DY.
Solicitors for the above-named Company.

PUBLIC NOTICES

[illegible]

ART GALLERIES

ANTHONY d'OFFAY, 9, Dering St., New Bond St., W.1. [illegible]

BROWSE & DARBY LTD., 19 Cork St., W.1. [illegible]

[illegible]

APPOINTMENTS

GOURMET

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floor shows. 189 Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW AS YOU LIKE IT. 11-3.30 am. Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

EXHIBITIONS

GOLDSMITHS' HALL. THE SCHRODER HERITAGE. An exhibition of Renaissance treasures. Goldsmiths' Hall, Foster Lane, E.C.2. Mon.-Fri. 10.15-6.00, until 26th. Admission free. Lecture by Dr. John Hayward, 23rd. Enquiries 606 8971.

PERSONAL

COINS TO BUY OR SELL. Coins and Medals at the 9th International Coin Fair, Cumberland Hotel, Marble Arch, Saturday, 27th October, 10 am-6 pm. ... Catalogue!

TRAVEL

GENEVA—Berne, Zurich and Basle widest range of cheap flights from 4 UK airports. ... Telex 916074. ATOL 369B.

THE PROPERTY MARKET BY ANDREW TAYLOR

Upturn abroad unlikely after exchange controls go

ANY MAJOR upsurge in UK investment in overseas property in the wake of the decision to abolish exchange controls would appear highly unlikely, judging from the reaction of some of the country's largest property developers and investment institutions.

Most welcomed the Chancellor's move but thought that the scrapping of controls would make very little difference to their investment decisions.

Few, if any, of the large institutions or developers have ever held back from making overseas property investments simply because of exchange controls.

Their financial muscle has been sufficient to allow them to use back-to-back loans, or parent guarantees for overseas loans by subsidiaries, as ways of avoiding the dollar premium.

Moreover, barring one exception, all of the most serious constraints on financing overseas spending and investments had already been removed when the abolition of exchange controls, altogether, was announced on Tuesday.

In s first package of measures in June, the Government permitted direct investment into individual overseas projects, without using the premium, up to a ceiling of £5m per project per year. The two-thirds rule restricting re-investment of overseas profits was also abolished.

The following month the Government removed any ceiling on direct overseas investment and at the same time relaxed controls on refinancing of overseas borrowings.

The new aspect to arise from the scrapping of controls will be that companies will now be able to issue their own shares when bidding for overseas businesses. Previously this would have given rise to a potential liability to the dollar premium.

Most institutions and developers regard the earlier measures as much more significant. Mr. Christopher Benson, managing director of developers MEPC, says: "Since the summer we have been able to refinance or repay some of our overseas debts, which has given us more financial flexibility.

"The scrapping of controls, now, is just the icing on the cake. However, in practical terms I cannot see that this will mean any greater or lesser investment overseas."

Mr. Wallace Mackenzie, managing director of Slough Estates, the largest UK industrial property developer says: "The earlier relaxations were significant in that since July we have been able to invest money directly into overseas subsidiaries, in the U.S., Australia and Belgium."

Mr. D. E. Jackson, property investment director for the Post Office Superannuation Fund said: "I can think of no instance where we have been precluded from making an investment because of exchange controls. The problem has been to find the right kind of investment opportunity."

New units issue

PENSION Fund and Property Unit Trust this week launched a new issue of units and with it a warning that rental growth and demand for accommodation may now become less buoyant in the face of an uncertain economic and industrial climate.

But despite this warning PFPUT's chairman, Cecil Baker, is confident that: "Property investment, nevertheless, is likely to continue to provide higher rates of return—capital and income combined—than alternative types of investment."

The issue is at a net subscription price of £1,990 per unit to yield 4.7 per cent and subscription date is next Wednesday, October 31.

Mr. Baker said that although the market is currently fairly quiet, "demand for prime properties is still strong and investment yields have remained remarkably stable."

PFPUT established in 1966 was largely designed to provide a vehicle for smaller pension funds seeking to invest in property but which perhaps lacked the financial muscle or professional management expertise in property of the larger funds.

At the end of last month there were 595 pension funds holding units in the Trust which was valued at £240.5m. This represented 129 properties with a total income of £10.9m. PFPUT is now one of four property funds managed by the Property Unit Trust Group on behalf of pension funds and registered charities.

Go-ahead for new state factory sales

THE GOVERNMENT is to give English Industrial Estates Corporation the right to sell factories and land to the private sector.

The move was announced in the Industry Bill published this week and which is expected to become law early next year. The Corporation was established by Government in 1960 to build advance factories in depressed areas.

But sales by the Corporation are unlikely to be anything approaching the scale of the new town £140m disposal programme announced by Mr. Michael Heseltine, Environment Secretary, earlier this year.

Sir Keith Joseph, Industry Secretary, said this week that sales might yield: "a modest number of millions of pounds over the next three, four or five years." Unlike the new towns no sales target and no deadline for making sales has been fixed.

In its last accounts for the year ending March 31, 1978 the Corporation showed land and properties with a book value of £98m. The Corporation currently controls 1,258, mostly small to medium size, factory units covering a total area of 25.6m square feet and providing employment for 92,000 workers.

Under the terms of the Bill the Corporation will have the power to sell freeholds to either tenants or to other private sector interests. It will also have the right to "encourage and seek" private investment to support new building programmes — possibly through joint ventures.

The freehold of the land administered by the Corporation is currently owned by the Crown but under the new Bill this will now be passed to the Corporation along with the right to make sales.

Sir Keith Joseph stressed that the Corporation's factory building role would continue. Gross capital expenditure of £32m is planned for this financial year.

However, the Corporation will, once the Bill becomes law, lose its status as "the servant or agent of the crown." This means that following a "holiday period" the Corporation will like other bodies in the private sector have to seek planning permission for new developments.

Birmingham auction to set rents pace

ONE OF the most significant commercial property auctions to be held this year takes place in Birmingham next Tuesday—the outcome of which could provide a new benchmark for prices being paid for Birmingbam city centre offices.

The auction of a 125-year lease on St. Philip's House in Temple Row, by the Church Commissioners, is attracting intense interest and speculation. A number of local estate agents believe that the sale may well indicate a new ceiling for city rents, curreotly averaging around £5.25 a sq ft for best quality space.

Certainly it is unlikely that there will be a lack of potential takera for the 11,200 sq ft of offices—with a serious shortage of top offices now rapidly emerging in the main finaocial, banking and commercial area.

Agents Elliott Son and Boyton, in its latest West Midlanda office survey, estimate that, at the beginning of last month there was only 7,665 sq ft of top quality office space available in this inner city area—bounded by Colmore Row, New Street, Corporation Street and Bull Street.

Of the 7,665 sq ft still available at the beginning of September, some 4,000 sq ft is now under offer at Apsley House and a further 1,500 sq ft at Wellington House.

With apparently little in the way of new schemes presently on the drawing board—but with some refurbishment planned—rents would seem likely to come under increasing pressure in the next six to 12 months. That is unless the current level of demand falls away significantly in tbe face of the widely expected economic recession.

Elliott Son and Boyton say that a sharp drop in the level of office space takeo up in the past 12 months, reflects the acute sbortage of prime space in the city—rather than any drastic fall in demand.

The agents' figures show that in the 12 months to September the take-up in the inner city area was only 17,172 sq ft, compared with 150,000 sq ft in the previous 12 months. In the central area bounded by the ring road—and including the inoer city—the take up had fallen from 253,000 sq ft to 119,000 sq ft.

Despite this sharp fall rents bave continned to rise in the central area, and, as demand bas built up, rents bave also begun to recover in outlying areas.

An example of the improving rental trend can be fonnd at London Life's Centre City development where around 7,500 sq ft of remaining office space is currently under offer at £3 a square foot. A year ago rents in the same building, wblcb is adjacent to New Street atation, were struggling to achieve £2.25 a square foot.

So far the largest office development planned for the central area is Viking Property's 550,000 sq ft Snow Hill development, the first phase of which—comprising around 200,000 sq ft of offices—is to be started next year. Now nnder construction is Trafalgar House's 60,000 sq ft development in Church Street and this is due for completion around the middle of 1980.

On top of these developments, Elliott Son and Boyton estimate that work on a further 175,000 aq ft of new and refurbished space might be expected to start in the next 12 months or so.

IN BRIEF

● Estates Property Investment have acquired a 6.3 acre freehold site on Lakeside Industrial Estate, Redditch where it plans a £3m warehousing/industrial development

● The availability of air conditioned offices in London's West End has fallen to a new low of 626,000 sq ft according to the latest survey by agents Leslie Lintott.

Corby, Northants

One of the FINEST INDUSTRIAL BUILDINGS available in the UK TODAY

124,000 sq. ft.

on nearly 12 Acres

LONG LEASE WITH 14 YEAR RENT REVIEWS.
PRESENT RENT ONLY £48,200 p.a. excl.

JOINT SOLE AGENTS

Wilson & Partners
Commercial Department,
DALKEITH PLACE
KETTERING NN16 0DT Tel: (0536) 3441

Chamberlain & Willows
Estate Agents · Surveyors · Valuers
01-882 4633

31 ST. PETERSBURGH PLACE BAYSWATER W2

19,000 sq. ft.—
Modern Air-Conditioned Office Building
(and self-contained luxury Residential Block)

LOCATION
The site of the new development is located at the junction of St. Petersburgh Place and Moscow Road in an attractive area of Bayswater between Bayswater Road and Westbourne Grove, close to Queensway.

AMENITIES
- FULL AIR-CONDITIONING
- CARPETED THROUGHOUT
- SUSPENDED CEILINGS WITH RECESSED LIGHTING
- AUTOMATIC PASSENGER LIFT
- PRIVATE CAR PARKING

DE & J LEVY
01-930 1070
Sole Agents
Estate House, 130 Jermyn Street
London, SW1Y 4UL. Telex 25761

Why is CLWYD ten times more interesting?

Enquiries about industrial and commercial expansion in Clwyd have increased ten-fold over the last two years. Why?
Because with its full Development Area status, its large, multi-skilled workforce, proximity to major markets and national/international communications networks, this progressive Welsh county dominates the regional development scene. The news in Clwyd is about sales, not strikes—and it's a great place to live too.
Talk to us about the low-cost sites, the factories and the extensive financial aid available to incoming industries - we'll make you a deal you can't refuse.
Contact Wayne S. Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold (Tel. Mold 2121) for your free colour brochure.

FREEHOLD FOR SALE LONDON N1

Headquarters Building with large office content.

16,000 sq. ft.

Fletcher King and Megran
10-12 Cork Street, London W1X 2PD 01-734 7701

LEASEHOLD OFFICE INVESTMENT WOOLWICH

4,550 sq. ft. let to Greenwich Council F.R. & I. for 48 years. 5 yearly reviews. Present rent £8,000 p.a. Next review 1982. Headlease 40 yrs. nominal Grd. Rt. Price £92,500.
Apply owner's agent:
JACK MEHOOZA, F.S.V.A.,
Brighton (0273) 722795
100 Blatchington Road, Hove, East Sussex BN3 3YF.

WOLVERHAMPTON

SALE OR LET
NEW FREEHOLD FACTORY/WAREHOUSE
UNDER CONSTRUCTION
Ready January
40,000 sq. ft.
RICHARDSONS DEVELOPMENTS LIMITED
021-544 7111

Chestertons West End Offices

75 Grosvenor Street, London, W1X 0JB
01-499 0404

Park Street, W1
Prestige Mayfair Offices
5,500 Sq. Ft.
Attractive Rental or LEASE FOR SALE
Joint Sole Agents
Bond & Co.
5 Pilgrim Street, London EC4
01-248 9291

Maunsel Street, SW1
Approx. 6,350 Sq. Ft. of Offices, Warehouse, and Storage on basement, ground, first and second floors. Garaging for 3 cars.
FREEHOLD FOR SALE.

Chestertons, Chartered Surveyors. For all your property needs

The Royal Liver Building LIVERPOOL

SUPERBLY REFURBISHED OFFICES

195,000 sq. ft.
30,000 sq. ft. per floor

Smaller units are available

TO LET

Available for early occupation. Full details and colour brochure available from the Sole Joint Letting Agents:

Goddard & Smith
22 King Street, St. James's, London SW1
Tel 01-930 7321

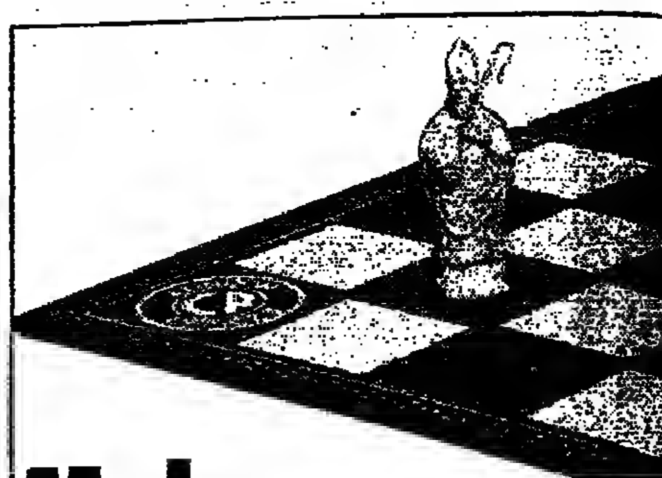
C.B. Corden & Co.
Chartered Surveyors
Tower Building, Water Street · Liverpool L3 1BN
Tel: 051 236 6323

Bournemouth

PREMIER SIX ACRE WEST CLIFF SITE AVAILABLE FOR CONFERENCE/LEISURE DEVELOPMENT

Enquiries are invited from companies interested in undertaking the comprehensive planning, design and development of this site which is adjacent to the sea, with magnificent views across the bay. The development will include a multi-purpose centre, incorporating conference, exhibition and leisure facilities.

Further details from:
Keith Lomas, Chief Executive and Town Clerk,
Town Hall, Bournemouth, Dorset.
(Telephone: Mr. R. Cook—0202-22066 Ext. 409)



Make a move in the City...

A key position for Lloyds, the Baltic Exchange and nearby commodity markets.
Mitre House, is a superbly appointed modern office building, now available to let.
It could form the headquarters of a large national or international concern, or provide city desks for any company who wants to be in the centre of things.
11,000 sq. ft. upwards available.
Our clients will consider offers for units of 11,000 sq. ft. upwards and terms will be quoted upon application.
Car parking also available.

Move to Mitre House.

CONWAY RELF
01 629 9100
CHARTERED SURVEYORS
44 ST. JAMES'S PLACE LONDON SW1A 1PG

AN IMPOSSIBLE DREAM?

We are tired of our modern office box and want something more distinguished.

OUR DREAM:
12,000 square feet of luxury offices in rural surroundings plus 4 acres of grounds, swimming pool, tennis courts and lake. In the North Kent, Surrey or Sussex area (near M25).

THE REALITY:
We are prepared to acquire an existing office, convert a derelict mansion or even build from scratch.

THE DEAL:
We will listen to any offer from owners, agents or developers. Full fees (including retainer if necessary) will be paid, but we are in a real hurry!

CAN YOU HELP?
Call WILLIAM ALLINGHAM 01-650 4877

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

ESTATE AGENTS DIRECTORY

The Estate Agents Directory appears on the middle Friday of each month and enables Estate Agents, irrespective of size or location, to be known nationally and, indeed, internationally. The cost of promoting your company is as follows:

6 insertions of 2 lines	=	£26.00
each additional line	=	£15.00
12 insertions of 2 lines	=	£48.00
each additional line	=	£18.00

Complete the coupon with details of your Company and return to:—
Carol Clark
Classified Advertisement Department, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

Name .... Position ....
Company/Address ....
....
....

ADVERTISEMENT

AVON
BRISTOL
Alder Stanley & Price, 7 St. Stephens Street BS1 1EG. Tel.: Bristol (02721 299151.

BEDFORDSHIRE
Stimpson Lock & Vince, 27 King Street, Luton. 0582 421941.
Connells Commercial, Estate Agents, Valuers and Surveyors, 5 Upper George Street, Luton (0582) 31261.
Kilroy, Estate Agents, 50 St. Leyes, Bedford. Telephone (0234) 50952.

CAMBRIDGESHIRE
CAMBRIDGE & SURROUNDING AREAS
Douglas L. January & Partners, 7/8 Downing Street, Cambridge. Tel.: (0223) 63921. Estate Agents, Surveyors, Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties. Branches at Royston, Newmarket and Saffron Walden.
CAMBRIDGE
Ekins, Dilley and Handley, Chartered Surveyors, Centenary House, Huntingdon PE18 6PQ (and at Biggleswade, Cambridge, Ely, Peterborough, St. Ives and St. Neots). Tel.: Huntingdon 56171. 20 lines.

CHESHIRE
WIDNES
Dixon, Henderson & Co., Chartered Surveyors, 32 Widnes Rd. (051) 423-1237.

ESSEX
ROMFORD
Bradleys, Estate Agents, Valuers & Surveyors, 1123 High Rd., Chadwell Heath, Romford, Essex.
ALL ESSEX
Bairstow Eves, 75 High Street, Brentwood (02771 220222.
Rona (Essex), Chartered Surveyors, 6 High Street, Rayleigh, Essex. Rayleigh (0268) 774316.
BARKING
Glenny (A.) & Son, Chartered Surveyors, 53 East Street. 01-594 3017.
CHELMSFORD
Glenny (A.) & Son, Chartered Surveyors, 123 New London Road (0245) 53374.
Taylor & Co., Chartered Surveyors, Commercial and Industrial Agents and Valuers. 17 Duke St. Tel.: (0245) 55561
HARLOW
Derrick, Wade & Partners, Terminus House, The High, Harlow, Essex CM20 1UT. Tel.: 39191. Telex: 81718. Commercial / Industrial development, investment and letting specialists, throughout the UK in conjunction with Preston office.
SAFFRON WALDEN & SURROUNDING AREAS
Douglas L. January & Partners, 7 King Street, Saffron Walden. Tel: (0799) 21176. Estate Agents, Surveyors, Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties.

SOUTHEND-ON-SEA
BENFLEET
Bradleys Estate Agents, Valuers & Surveyors, 107 High Street, Benfleet, Essex.
Watson, Temple, Talbot & White, Chartered Surveyors, 34 Clarence St. Tel: (0207) 330717.

GLOUCESTERSHIRE
Powell and Powell, Chartered Surveyors, Commercial and Industrial Specialists, 37/41 Clarence Street, Gloucester GL1 1EA. Tel.: 36444 also at Cardiff 27666.
CHELTENHAM & DISTRICT
Lawson & Lawson, Chartered Valuation Surveyors & Estate Agents, 3 Regent Street, Cheltenham GL50 1HF. 0242 21677/9.

HAMPSHIRE
SOUTHAMPTON, PORTSMOUTH
FAREHAM
Hall Pain & Foster, Chartered Surveyors, Valuers, Estate Agents, 39 London Road, Southampton (0703) 28915.
L. S. Vail and Sons, Chartered Surveyors. Commercial Premises Department, 18 High St., Fareham (0329) 285611.

HERTFORDSHIRE
Stimpson Lock & Vince, 9 Station Rd., Watford. 0923 37711.
HEMEL HEMPSTEAD
R. J. Aitchison, Chartered Surveyors, 63 Marlowes, Hemel Hempstead 3446.
LETCHWORTH, HITCHIN AND STEVENAGE
Hendalos, Industrial Dept., 44 Broadway, Letchworth 3773, Hitchin 59643, Stevenage 53309.
ROYSTON & SURROUNDING AREAS
Douglas L. January & Partners, 2/3 Fish Hill, Royston. Tel.: (07631 42921. Estate Agents, Surveyors, Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties.
WATFORD
Gordon Hudson & Co., 147, The Parade, Watford 39711 (10 lines).

KENT
ASHFORD
Burrows & Day, Chartered Surveyors and Estate Agents, 39/41 Bank Street. Tel.: Ashford (0233) 24321.
BROMLEY & DISTRICT
Baxter Payne & Lepper, Chartered Surveyors, 19 East Street. 01-464 1181.
DARTFORD
Prall Champion & Prall, Chartered Surveyors, Auctioneers and Estate Agents, 76 Spital Street. Tel: 28891.
MAIDSTONE
Geering & Colyer, Chartered Surveyors, 6 Colman House, King Street, Maidstone. Tel.: (0622) 535... 22/24 High Street, Tunbridge Wells. Tel.: (0892) 25136. Bank Street, Ashford. Tel.: (0233) 24561.
ROMNEY MARSH & DISTRICT
Tinsley & Clinch, Valuers and Estate Agents, New Romney. Tel.: 06793 3194.

TUNBRIDGE WELLS
Geering & Colyer, Chartered Surveyors. 22/24 High Street, Tunbridge Wells. Tel.: (0892) 25136.

LANCASHIRE
PRESTON
Derrick, Wade and Waters, Unicentre, Lords Walk, Preston, Lancashire PR2 1DH. Telephone 57758. Commercial, Industrial development, investment and letting specialists throughout the UK in conjunction with Harlow office.

LEICESTERSHIRE
MELTON MOWBRAY
Walker, Walton, Hanson, Chartered Surveyors, Estate Agents, Auctioneers, Commercial and Industrial Property, Plant and Machinery Sales and Valuations, 1 Wilton Road, Melton Mowbray, Leicestershire. Tel.: (0664) 67555.

LINCOLNSHIRE
Bregden & Co., Char. Survys., Estate Agents, Silver Street, Lincoln. 0522 31321.

LONDON
CITY
Noel Alexander & Parts., Advisers to Banks, 70 Queen Victoria St., EC4. 01-248 2256.
Bairstow Eves, Provincial House, 218/226 Bishopsgate, London EC2M 4QD. Tel.: 01-377 0137.
Chestertons, Chartered Surveyors and Estate Agents, City, Holborn, and Decentralised Offices, 28 Queen St., EC4R 1BB. 01-248 5022.
City Agents, Office Specialists, 12 Wall Court, EC4. Tel.: 248 3751.
Conrad Ritblat & Co., Consultant Surveyors and Valuers, Plantation House, Fenchurch Street, EC3. 01-623 8116.
Fuller Horsey Sons & Cassel, 52 Bow Lane, EC4. Surveyors, Valuers and Investment Consultants. 01-248 7954.
Hampton & Sons, Skinners Hall, 8 Dowgate Hill, London, EC4. 01-236 7831.
Kemsley, Whiteley & Ferris, Chartered Surveyors, 20 Ropemaker Street, EC2. 01-628 2873.
J. Trevor & Sons, Estate Agents, Surveyors and Valuers, 85 London Wall, EC2. 01-628 0735. Also Mayfair and Manchester.
Smith Melzack, Surveyors, Valuers and Estate Agents, 17 St. Helen's Place, EC3. Tel.: 01-638 4591.
WEST CENTRAL
Lander Burfield, Chartered Surveyors, Harpur House, 36/38 Lamb's Conduit Street, WC1 3LL. Tel.: 01-831 6311.
Bradleys Estate Agents, Valuers & Surveyors, 27 James Street, London W1.
Chestertons, Chartered Surveyors and Estate Agents, West End Offices, Factories, Warehouses, etc., 75 Grosvenor Street, W1X 0JB. 01-499 0404.
Connells Commercial, Estate Agents, Valuers and Surveyors, 62 Grosvenor Street, W1X 9DA. 01-492 4932.
Conrad Ritblat & Co., Consultant Surveyors and Valuers, Milner House, 14 Manchester Sq., W1M 6AA. 01-935 4499.
Harrison & Partners, Office Specialists, 57 Blandford St., W1H 3AF. 01-486 8121.
Herron & Partners, 30a Sackville St., W1. Tel.: 437 2781.
Meadow Schama & Company, 79a Park Street, W1. 01-493 8892.
Ralf Diner & Co. (Office and Commercial Property Specialists), 179 New Bond Street, W1Y 9PD. 01-491 3154.
Ian Scott & Co., Estate Agents and Surveyors, Berkeley House, 20 Berkeley Street, London, W1. 01-493 9911.
Smith Melzack, Surveyors, Valuers and Estate Agents, 8 Cork Street, W1. Tel: 01-439 0531.
SOUTH WEST
James Andrew & Ptnrs., Consultant Surveyors and Estate Agents, 62 Pall Mall, London, SW1Y 5HZ. 01-839 4436.
Hampton & Sons, 6 Arlington Street, London, SW1. Tel.: 01-493 8222.
SOUTH EAST
David Baxter, Commercial Dept., 168/170 High Street, Penge, SE20 7QB. Tel.: 01-659 1638.
NORTH
Michael Berman & Co., Shop, Office & Industrial Specialists, 358 Regents Park Road, Finchley, N3. 01-349 9211.

MERSEYSIDE
LIVERPOOL
Dixon, Henderson & Co., Chartered Surveyors, 44 Old Hall Street, L3 9PP. Tel.: 051-236 4456.
Ramsay Murdock & Ptnrs., Commercial, Property and Investment Valuers, 48 Castle St., Liverpool, L2 7LQ. 051-236 1448.
R. F. Spark & Co., 8 Queen Ave., Dale St., Liverpool, L2 4UZ. Tel.: 051-236 0685.
ST. HELENS
Dixon Henderson & Co., Chartered Surveyors and Estate Agents, 8 Cloughton Street, WA10 1RR, St. Helens 54417.

MIDDLESEX
HEATHROW
Rogers, Chapman, Industrial, Commercial, Surveyors and Property Consultants, The Lodge, Harmondsworth, West Drayton. 01-759 0666.
HARROW
Arthur Payne & Co., Commercial Property Agents. 01-863 6797/9761.
HOUNSLOW
Homo & Sons, Chartered Surveyors, 181 High Street. Tel. 01-570 2244.
STAINES
Richard Brampton & Co., Surveyors, Agents and Valuers, 25 Windsor Road, Wraysbury. Tel: Wraysbury 2283.
Emmitt Rathbone, Commercial/Industrial and Residential Surveyors, Valuers and Estate Agents, 15 Clarence Street, Staines. Tel: Staines 59321.

NORFOLK
Turnbull & Co., Chartered Surveyors, Bank Street, Norwich. Tel: 60381. Blackfriars St., Kings Lynn. Tel: 63814. Market Place, Holt. Tel: 3343 and West Street, Cromer. Tel: 3764. Bridge St., Fakenham. Tel: 2190.

NORTH EAST
Storey Sons & Parker, Chartered Surveyors, Newcastle 0632 26291. Middlesbrough 0642 248301. Stokesley 0642 710583. Morpeth 0670 57383.

NOTTINGHAMSHIRE
MANSFIELD
Walker Walton Hanson, Chartered Surveyors, Estate Agents, Auctioneers, Commercial and Industrial Property, Plant and Machinery, Sale and Valuations, 45 Stockwell Gate, Mansfield (0623) 35427.
NOTTINGHAM
Cavanagh William H. Brown, Rent Reviews, Valuations, Acquisitions, Sales, Lettings, 92 Friar Lane, Nottingham. Tel: (0602) 40747. Also at Newark, Grantham, Leicester, Lincoln, London.
Walker Walton Hanson, Chartered Surveyors, Estate Agents, Auctioneers, Commercial & Industrial Property, 5 Byard Lane, Bridlesmith Gate, Nottingham (0602) 54272 and at 45 Stockwell Gate, Mansfield (0623) 35427.

SUFFOLK
BURY ST. EDMUNDS EAST ANGLIA
Lacy Scott, Commercial, Agricultural and Residential Surveyors and Auctioneers, 3 Hatter Street (0284) 63531.
NEWMARKET & SURROUNDING AREAS
Douglas L. January & Partners, 124 High Street, Newmarket. Tel: (0638) 5731. Estate Agents, Surveyors, Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties.

SURREY
GUILDFORD
Cubitt & West, Commercial Surveyors, 44 High Street, Guildford. 0483 77277 or 60565. 18 offices in Surrey, Sussex and Hampshire.
WOKING
David Smithyes Partnership, Commercial Consultants, 1 West Street, Woking. Tel: Woking 65666.
Mann & Co., Chartered Surveyors, Woking, Guildford, Camberley, Farnham, Kingston-upon-Thames, Walton-upon-Thames. 60 Associated Offices throughout Surrey, Hants., Berks., Middx., Sussex and Dorset. Head Office: 22 Commercial Way, Woking GU21 1HB. Tel: Woking (04862) 70071 (10 lines).

SUSSEX
Clifford Dann Commercial, Chartered Surveyors, Albion House, Lewes (07916) 4376. (Six local offices).
Stiles, Horton Ledger, Surveyors, 8 Pavilion Buildings, Brighton. Tel: 21561, and at Hove 720771, Eastbourne 36244, Worthing 37992 and Crawley 516661.
Geo. White & Co. (Commercial Department), 28/29 Ship Street, Brighton. 0273 29118 (8 local offices).
CRAWLEY
Philip James Associates, 12 High St., (0293) 21156.
John, Stickley Commercial, Chartered Surveyors, 14 Brighton Road. Tel: 26425.
HAYWARDS HEATH
Geering & Colyer, Chartered Surveyors, 133 South Road, Hayward's Heath. Tel: (0444) 57311.
HORSHAM
King & Chasemore (Commercial), Carfax, Horsham. Tel: (0403) 64441.

WALES
Powell & Powell, Chartered Surveyors, Commercial and Industrial Specialists, 5-7 St. John's Square, Cardiff CF1 2SB. Tel: 27666, also at Gloucester 36444.
BRIDGEND
David E. Little Ptnrs., Chart. Survys., 36a Caroline St., Mid-Glam (0656) 53445.
TYWYN GWYNEDD
Fisher Ablitt & Co., Auctioneers, High Street, LL36 9AD. (0654 710388).

WEST MIDLANDS
BIRMINGHAM
Geo. Fisher & Son, Est. Agents, 20-24 High Street, Harborne B17 9NF. 021-427 2241.

YORKSHIRE
SHEFFIELD
T. Saxton & Co., Chartered Surveyors, Estate Agents and Valuers, 53 Queen Street, Sheffield. Tel: 77835 and 10 The Crofts, Rotherham. Tel: 77179: New Office: 31 Market Place, Retford. Tel: 704748.
Eadon Lockwood & Riddle, Chartered Surveyors, Property Consultants, Sales and Advice in connection with Commercial & Industrial Properties, Portfolio, Property Management, Investment, 6a Campo Lane, Sheffield S1 2EF. Tel: 71277. Telex: 547490 ELR.

SCOTLAND
ABERDEEN
Burnett (F. G.), Chartered Surveyors, Valuers and Estate Agents, 11 Rubislaw Terrace. Tel: (0244) 572661.
James R. Thomson (Properties) Ltd., 23 Crown Street, Aberdeen, AB1 2HA. Tel: 0224 52468.
Webster & Co. (Chartered Surveyors), 60 Union St. AB1 1BB (0224) 52687/8.
EDINBURGH
Hillier Parker May & Rowden, 6 Charlotte St. South, Edinburgh. Tel: 031-225 5988.
Kenneth Ryden & Ptnrs., 71 Hanover St., Edinburgh. Tel. 031-5612.
GLASGOW
Kenneth Ryden & Partners, 121 West George St., Glasgow. Tel: 041-221 8591.
Webster & Co., 21 West Nile St., Glasgow. Tel: 041-204 0771.

PLANT & MACHINERY

Airey Entwistle, 28/34 Cross Street, Manchester, M2 7AQ. Tel.: 061-834 5177.
Bairstow Eves, Valuers and Auctioneers of Plant and Machinery and Trade Stocks throughout the U.K., Provincial House, 218/226 Bishopsgate, London EC2M 4QD. Tel.: 01-377 0137.
Frank G. Bowen Limited (Est. 1824), Specialist Auctioneers and Valuers of Machine Tools, Textile Machinery, Trade Stocks, etc., in the U.K., 15 Greek Street, Shaftesbury Avenue, London, W1V 0NY. Tel.: 01-437 3244.
Henry Butcher & Co. Inc. Leopold Farmer & Sons, Auctioneers & Valuers, Brownlow House, 50/51 High Holborn, London, WC1V 6EC. Tel.: 01-405 8411. Also at Birmingham and Leeds.
Colebrook, Evans & McKenzie, 5 Quality Court, Chancery Lane, London WC2A 1HP. Tel.: 01-242 1362. Specialist Valuers and Auctioneers to the Printing Industry.
Eddisons, Chartered Surveyors, Industrial Building, Plant & Machinery, Auctioneers & Valuers, Pennine House, Russell Street, Leeds, LS1 5RZ. Tel.: (0532) 30101. Also at Huddersfield, Bradford and Halifax.
Edwards, Bigwood, Bewley, 78 Colmore Row, Birmingham B3 HG. Tel.: 021-236 8477.
John Foord, Chartered Surveyors, 61 Queens Gardens, W2. 01-402 8361. Valuers of Industrial Property, Plant and Machinery in the U.K. & abroad for 150 years.
Fuller Peiser, Chartered Surveyors, 8 Leopold St., Sheffield, S1 1BW. Tel.: (0742) 24331. Telex: 54798. Head Office: London.
Goddard & Smith, 22 King Street, St. James's, London, SW1. Tel.: 01-930 7321. Valuers of all Plant and Machinery and Industrial Premises throughout the United Kingdom and Continent.
Grimley & Son, 2 St. Phillip's Place, Birmingham 3. Tel.: 021-236 8236.
Hamnett Raffarty, Chartered Surveyors, Auctioneers and Valuers of Plant Machinery and Factory Premises throughout United Kingdom: PO Box 1, 30 High Street, High Wycombe, Bucks. Tel.: (0494) 21234.
Industrial Plants Corporation (UK) Ltd., Auctioneers and Valuers of Plant and Machinery, 71a Salisbury Street, Hull, HU5 3DU. Tel.: 0482-49872. Telex: 527562. Established U.S.A. 1919.
Kenyons, Lumb Lane, Audenshaw, Manchester M34 5GW. 061-370 8515.
King & Co., Chartered Surveyors, 1 Snow Hill, London, EC1A 2DL. Tel.: 01-236 3000. Telex: 885485.
Norman Levy Associates Overseas, Guaranteed Valuations and Auctions of Plant and Machinery, 4a Abbotts Place, Abbey Road, London, NW6 4NP. Tel.: 01-328 2468. Telex: 887291. Levy G.
Edward Rushton, Son & Kenyon (Est. 1855), Auctioneers, Loss Assessors & Valuers, 10 Carlos Place, Grosvenor Sq., London, W1Y 6HA. Tel.: 01-493 6787 and at Birmingham, Dublin, Manchester, Sydney, Melbourne & Brisbane.
Edward Symmons & Partners, Auctioneers & Valuers, 56/62 Wilton Road, London SW1V 1DH. Tel: 01-834 8454 and at Manchester and Nottingham.
Walker Walton Hanson, Chartered Surveyors, Valuers and Auctioneers of Plant & Machinery and trade stocks throughout the United Kingdom. Nottingham—Byard Lane. Tel.: (0602) 54272: Mansfield — 45 Stockwell Gate, Mansfield. Tel.: (0632) 45427: Melton Mowbray—27 Market Place, Melton Mowbray: Tel.: 0664 67555.
Weatherall Green & Smith, Chartered Surveyors / Estate Agents, 22 Chancery Lane, London, WC2. Tel.: 01-405 6944. 24 Austin Friars, London, EC2. 01-638 9011.
Weatherall Hollis & Gale, Chartered Surveyors / Estate Agents, C.M.A. House, 29 King Street, Leeds. Tel.: 0532 442066.

By Direction of the Warwickshire County Council

PART

MYTON GRANGE FARM, WARWICK

VALUABLE RESIDENTIAL BUILDING LAND

with access from

MYTON ROAD, WARWICK

A425—Warwick—Leamington Spa

TOTAL AREA:— 13.59 ACRES

or thereabouts

WITH

OUTLINE PLANNING CONSENT

FOR

RESIDENTIAL DEVELOPMENT

WITH VACANT POSSESSION UPON COMPLETION

TO BE SOLD BY AUCTION

AT THE MIDLAND HOTEL

NEW STREET, BIRMINGHAM

AT 2.30 P.M. ON WEDNESDAY, 7th NOVEMBER 1979

(subject to conditions)

Solicitor:—D. G. Fuller Esq., M.A., LL.B., County Secretary P.O. Box 9, Shire Hall, Warwick (Warwick 43431 ext. 2360)

75 Colmore Row, Birmingham B3 2HG Tel: 021-236 8477 Telex 335146

Parkside House, 51-53 Brick Street, London W1Y 7DU Tel: 01-499 9452 Telex 8953629

EDWARDS BIGWOOD & BEWLAY

Number 49

BERKELEY SQ.

& 49 HAY'S MEWS LONDON W1

A splendid

Office Building

in the heart of Mayfair

LEASE FOR SALE

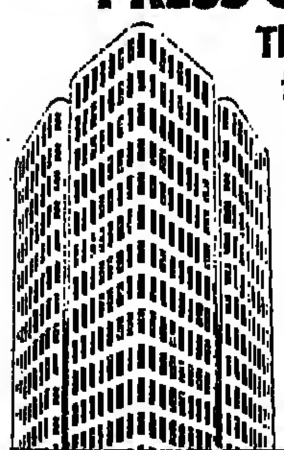
Weatherall Green & Smith

22 Chancery Lane London WC2A 1LT

01-405 6944

AND LEEDS PARIS NICE & FRANKFURT

LONDON INTERNATIONAL PRESS CENTRE EC4



The ideal location for companies in the communications business.

*Up to 9,000 feet of luxurious air-conditioned accommodation.

*Currently a fully-equipped advertising agency.

Weatherall Green & Smith

22 Chancery Lane, London WC2

01-405 6944

LEEDS, PARIS, FRANKFURT & MUNICH

INDUSTRIAL PREMISES

14,000 Sq. ft.

Approx

SOUTHALL, MIDDX.

LEASE FOR SALE

Ref.: CMF

Apply:

Parkside House 51-53 Brick Street London W1Y 7DU 01-499 9452

EDWARDS BIGWOOD & BEWLAY

SHOPS AND OFFICES

ROCHESTER

MODERN OFFICE BUILDING

Approx. 8,000 sq. ft.

Usable Floor Area

Large Car Parking Area

Situated in City centre within lew minuras' wnik Rochester main line stetion end easy access to M2. Lease 15 years to rnn.

£25,000 per annum

Nominal Preminm

Sole Agents

RONALD BAMPTON & PARTNERS

150 HIGH STREET, ROCHESTER

Tel. Medway (0634) 43448 & 408138

9,310 SQ. FT. OFFICES. Northwood by Met. Line Stn. TO LET. Arthur Payne & Co. 01-863 6797.

WARMINSTER, WILTSHIRE. Snperb stone Building, original Manor House, now being renovated and offered as Prestige Offices. 7,000 sq. ft. offices, 3,000 sq. ft. storage, ample parking, ideal for London decentralisation. Full insuring and repairing lease offered at £20,000 p.a. for whole (would let by floors). Sandoe and Sandoe, 30 George Street, Warminster (213121/212246).

FURNISHED OFFICE. Central City. Telex & Services. Tel. for details 01-434 1687.

WEMBLEY. Penthouse Office Suite (15th Floor). 1,400 sq. ft. Sumptuously appointed. Substantial preminm. 01 529-6575. Ref. O.G.

FOR INVESTMENT

[illegible]REY. Parade of 5 Shops and Maisonettes. Current income £6,500 on full repairing and insuring leases. Substantial reversions from March 1980. £105,000 S.T.C. Freehold. 01-724 2517.

[illegible]XHILL ON SEA. 7 Western Road. Shop and upper part let on F.R. & I. lease at £2,250 p.a. excl. Valuable reversion 1981. For sale Freehold by Auction November 1st. Full particulars from Staines & Co., 28 Devonshire Road, Bexhill, Sussex. Tel. (0424) 210000.

[illegible]Y FREEHOLD INVESTMENT. 11,400 sq. ft. W/H let to very secure covenant producing £10,500 p.a.x. with substantial revn. in June 1982. Offers in region of £150,000. Phone Brecker Grossmith & Co. 01-466 3531

FACTORIES AND WAREHOUSES

[illegible]YMOUTH. Modern Factory. 25,463 sq. ft. on site of 3.5 acres approx. Freehold available. Grimley & Son, 10, King St., London WC2E 8HZ. 01-836 9654.

WANTED

PROPERTY COMPANIES. Investments or Vacant Property. Commercial or Residential required throughout England. Serious purchasers with substantial funds. Agents retained. Write Box T.5160, Financial Times, 10 Cannon Street, EC4P 4BY.

LAND FOR SALE

APPROX. 310 ACRES of land at Blackbrae, near Londonderry. Planning permission for industrial use. Present use agricultural. Auction Tuesday, 20th November, 1979. Particulars from Alexander Reid & Fraser, 55/57 High Street, Belfast. Tel. 33111.

MERTON INDUSTRIAL PARK LONDON SW19

Two new prestige Warehouse/factory buildings with fully fitted Offices

Warehouse/factory area 24,700 sq. ft.
Office area 7,700 sq. ft.
Total area 32,400 sq. ft.

Warehouse/factory area 35,140 sq. ft.
Office area 11,560 sq. ft.
Total area 46,700 sq. ft.

The buildings, whilst being part of the Merton Industrial Park are self-contained, and occupy very prominent positions. They have been designed to an exceptionally high specification to meet the current needs of industry.

A Development by ESN Electricity Supply Nominees

MICHAEL LAURIE & PARTNERS Fitzroy House, 18-20 Grafton Street, London W1X 4DD

Richard Ellis Chartered Surveyors

TO LET

on Attractive Terms

PETERLOO HOUSE

adjoining St. Peter's Square, Manchester

Self contained offices with ample car parking

42,969 Sq. Ft. may divide

ISAAC NEILD & Co. Bennett House, 87/89 Mosley St, Manchester, M2 3LL. Tel: 061-236 2345

Bernard Thorpe Elisabeth House, St. Peter's Sq., Manchester, M2 3DF. Tel: 061-236 9595 Telex: 666607

By Direction of the Property Services Agency

A FINE DEVELOPMENT OF 82 MODERN SINGLE STOREY HOUSES WITH 3 & 4 BEDROOMS

at

HOOE, PLYMOUTH, DEVON

Occupying an oustanding position about 5 miles from the city centre

IN ALL ABOUT 8 ACRES

INCLUDING AN AREA OF OPEN SPACE

FOR SALE BY AUCTION AS A WHOLE IN DECEMBER (unless previously sold)

Knight Frank & Rutley

20 Hanover Square London W1R 0AH

Telephone 01-629 8171 Telex 265384

PRELIMINARY ANNOUNCEMENT

RAYNES PARK, LONDON, S.W.20

IMPRESSIVE NEW OFFICES

AVAILABLE AUTUMN 1980

Approx. 7,100 SQ. FT.

- ★ 22 CAR PARKING SPACES
- ★ OPPOSITE STATION
- ★ GAS CENTRAL HEATING
- ★ PASSENGER LIFT
- ★ DOUBLE GLAZING
- ★ FULLY CARPETED

MELLERSH & HARDING CHARTERED SURVEYORS 43 St. James's Place London SW1A 1PA Tel. 01-493 6141

If you want the industrial space we have the facts. Contact: Ian McDougall 021-300 7136 Industrial Promotion Officer

industrial locations information service

Hundreds of PROPERTIES, Dozens of AGENTS, A central source of INFORMATION

County Hall, Lancaster Circus, Birmingham B4 7DJ

County of West Midlands

24,400 sq. ft. EC2 TO LET

Self Contained Building

Lift, Central Heating

NEWTON PERKINS

01-488 4421

INDUSTRIAL

By order of Valentines of Dundee Ltd

FOR SALE

MODERN SINGLE-STOREY FACTORY & LAND

DUNDEE

KINGSWAY WEST (Ring Rd)

Approx. 110,000 Sq. Ft.

on 7.75 acres

Edinburgh, Glasgow and Aberdeen all readily accessible by road and motorway

Full details from Joint Sole Agents

WAM Graham Sibbald

Waverley House, 8 Dudhope Street Dundee DD1 1JU 0382 24064

Hillier Parker May & Rowden

77 Grosvenor Street, London W1A 2BT 01 629 7666

E II R

By Order of The Secretary of State for Defence

HARTLEBURY WORCESTERSHIRE

FIRST CLASS WAREHOUSING

Floor Area: 159,649 Square Feet.
Main Freehold Site: 19.605 Acres.
Former R.A.F. Maintenance Unit, Site 3.
Three excellent, lofty warehouse buildings with ancillary accommodation and services.

FOR SALE BY AUCTION

ON THURSDAY, 15th NOVEMBER 1979

Ref: RDS/RHS

75 Colmore Row Birmingham B3 2HG Tel: 021-236 8477

EDWARDS BIGWOOD & BEWLAY

Windsor House, 39 King Street, London EC2

2 refurbished office floors now available

1,676 and 1,872 sq. ft.

joint sole agents:

MICHAEL LAURIE & PARTNERS Fitzroy House, 18/20 Grafton Street, London W1X 4DD Telephone 01-493 7050

Walker Son & Packman

Blossoms Inn 3-6 Trump Street London EC2V 8DD Tel 01-606 8111

CARDIFF

MODERN SINGLE-STOREY

Factory/Warehouse

40,000 sq. ft.

Offices — Prestige main-road position
Excellent loading and parking

For sale

HENRY BUTCHER LEOPOLD FARMER

Brownlow House, 50/51 High Holborn London WC1V 6EG Tel: 01-405 8411

BELVEDERE KENT

WAREHOUSES TO BE LET

7,094-22,692 sq. ft.

IDRIS JONES & PARTNERS

01-222 2636

FACTORY LEASE REQUIRED

12,000 to 15,000 sq. ft. for light industrial use – food packaging. Within 15 miles radius of Oxford, e.g. Bicester, Thame, Abingdon, etc. Possession by March 1980 latest.

Write Box T.5184, Financial Times, 10 Cannon Street EC4P 4BY.

INTERNATIONAL PROPERTY

CALIFORNIA - LUXURY OCEAN - FRONT APARTMENT BUILDING NEAR SAN DIEGO.

502 UNITS

J/V financial partner required by experienced Los Angeles group to assist in acquisition for U.S.$ 38m from en S and L. Co. who are providing U.S.$ 30m mortgage. Intention to sell individual units—projected sales value U.S.$ 50m.

G. L. Taylor,
54 South Molton Street,
London W.1.
01-629 9991

Ready when you are!

Factories in Northampton

4890 — 40 000 sq ft

Rent from £1.70 per sq ft exclusive

Northampton is an established town, on the M1 midway between London and Birmingham with 50% of Britain's industry within a 100 mile radius.

Northampton midsile england character prosperity & growth

L Austin-Crowe BSc, FRICS
Chief Estate Surveyor
Northampton Development Corporation
2-3 Market Square
Northampton NN1 2EN
Telephone Northampton (0604) 34734

Hull · Advance Factories

Wide choice of advance factories available NOW. 1,500 sq. ft. to 15,000 sq. ft. Development Area Grants available.

Contact: Ian R. Holden, B.Sc. (Econ) M.B.I.M. Director of Industrial Development Kingston upon Hull City Council, 77 Lowgate, Hull. Tel: (0482) 222626.

STAPLES CORNER NW2

Single Storey

WAREHOUSE

With High Office Content

8,400 sq. ft.

EDWARD SYMMONS & PARTNERS Tel 01-834 8454

56/62 Wilton Road, London SW1V 1DH

INTERNATIONAL PROPERTY

FOR SALE 75 acres industrial land within the Copenhagen area

The land is situated on Amager just outside Central Copenhagen close to the sea.

In the southern part of the area there are railway tracks that can be connected to the public railway system. There are connections for sewage, water, and electricity. Sanitary waste water is diverted through existing sewage pumping station.

The total land value is D.kr. 40,420,500 according to latest official estimate. The total real property taxes were approximately D.kr. 1.8 mill. in 1978.

The area preferably to be sold in one lot.

Inquiries for purchase or further information to be sent to:

Kristian Mogensen, Solicitor
24 Amagertorv
DK-1160 Copenhagen K
Telephone: 1-13 42 62

Düsseldorf-Hochdahl (West Germany)

LIGHT MANUFACTURING/WAREHOUSING

The property for sale is an exceptionally desirable light manufacturing/warehousing facility with 890 sq. m. of prestige office space.

The plot of land is 13,020 sq. m. Manufacturing buildings occupy 2,533 sq. m. and can be doubled.

Autobahn and rail connections are less than five minutes away.

Existing mortgages at attractive interest rates could be taken over.

Please reply to Box F1167 Financial Times 10 Cannon Street, EC4P 4BY

WORLD STOCK MARKETS

Early Wall St. continues previous advance

STOCKS ADVANCED in moderate trading at mid-session, extending Wednesday's small gain.

The Dow Jones Industrial Average rose 3.16 to 811.52, and advances led declines nearly two-to-one. Turnover was 12m shares.

Analysts said the market was encouraged by comments from Federal Reserve Board Governor Nancy Teeters that the Fed would wait and see how markets adapted to the new credit policies before acting on the Discount Rate.

The market has been expecting another rise in the Discount Rate for some time.

There was hope that the money supply figures, due after the close, would show a decline. But there were no rest estimates available, because of the turbulence in the debt markets.

Fairmont Foods rose 2¼ to $13¾ after a late start. American Financial will tender for 950,000 Fairmont shares at $15 each.

Newmont Mining, which raised its dividend and reported sharply higher earnings, added 1½ to $26½. Tonka jumped 1¾ to $10⅝ after reporting that September-quarter profits more than doubled. Mobil, which late on Wednesday, reported a 130 per cent rise in third-period net, added ⅞ to $46½.

Flintkote slipped ½ to $50½. It said directors were unable to recommend shareholders accept a merger proposal from Genstar at $55 a share, which exceeded a $53 a share bid from Louisiana Pacific.

SCM lost ⅛ to $22½. It said it held proxies for more than 50 per cent of its stock in its proxy fight with dissident shareholders.

Revlon slipped ⅞ to $45½ in spite of reporting higher third-quarter earnings. Standard Oil Company (Ohio), which reported higher profits on Wednesday, raised the dividend yesterday and added 1½ to $73½.

American Stock Exchange prices rose in moderate trading. The Index added 1.48 to 198.63 on turnover of 2.04m shares.

Closing prices and market reports were not available for this edition.

Canada

The market was lower in moderate trading.

The Bank of Canada increased its bank rate to 14 per cent from 13 per cent. Most chartered banks, in turn, increased their prime rates to 15 per cent, while others raised it to 14¾ per cent from the previous 13¾ per cent.

The Toronto Composite Index fell 7.2 points to 1,531.2, and 12 of 14 indices retreated. Losses outnumbered gains by almost two to one.

In Montreal, share prices were broadly lower in active trading. The Composite Index fell 0.66 to 266.86. All leading indices retreated. Volume was 401,564 shares, compared with 287,279 the previous day.

Paris

Share prices were mixed in light trading.

Investors were influenced by a rise of ¼ of a percentage point in the call money rate to 11¾, its highest level in three years. Also making the Bourse hesitant was a 24-hour strike of post and telecommunications workers.

Among French issues there were 104 gainers, 69 decliners and 31 unchanged. Foods, Oils, Constructions, Banks, Portfolios, Mechanicals and Chemicals were generally sought-after, while Hotels, Electricals, Textiles and Publishing issues fell back.

Mumm was the strongest performer, putting on 10 per cent on reports that 1979 would be a bumper year for champagne producers.

Lafarge was unchanged at FFr 247.50 after showing sharply higher first-half net consolidated profit. Cie Electro-Mecanique eased FFr 3 to FFr 56 after announcing first-half losses. PSA Peugeot-Citroen was unchanged at FFr 278.

Tokyo

Share prices closed higher in moderate trading as late cheap buying in Blue Chips and Populars more than offset initial losses.

The market average rose 9.61 to close at 6,235.32, with volume 240m shares. The Tokyo Stock Exchange Index closed at 437.04, up 0.44.

Many shares lost ground in early trading, extending Wednesday's sharp fall. But they recovered towards the close on revived interest in Oils, Trading House and some export-orientated issues.

Matsushita Electric rose Y32 to Y705, Sony Y80 to Y1,740, Pioneer Y120 to Y1,890, Canon Y20 to Y551, Nissan Motor Y10 to Y630 and Toyota Motor Y9 to Y860.

Machine Tools rose on reports of a sharp increase in machine tool orders in September. But Textiles, Chemicals, Non-ferrous Metals, and Shipping Lines were lower.

The second market closed sharply lower, with volume 6m shares.

Germany

Leading shares closed down after quiet trading.

Prices were depressed by tightness on the money market, where three months money was quoted about 9¼ per cent.

Money market developments proved particularly damaging to Banks, led down DM 4 by Commerz and Dresdner.

In Stores, Karstadt fell DM 6, Daimler led cars down DM 3. In Engineering, Linde shed DM 3.50.

Preussag rose DM 3 against the trend on news that the company would pay a dividend for the first time in three years. AEG was unchanged and Siemens shed DM 2.80.

Prices rose on lower turnover in options trading, with Philips and AEG call options the centre of activity.

On the bond market, both domestic and Eurobonds lost up to DM 1. The Bundesbank bought DM 13.7m of public authority paper, after purchases of DM 30.3m the previous day.

Amsterdam

Share prices closed mainly lower in thin trading, with the General Bourse Index hitting a new low for the year.

Dutch Internationals, apart from Philips, declined, with Royal Dutch dropping Fl 1.10.

KLM lost Fl 1.30. Heineken Fl 2.30 and NMB Fl 4.

State loans were little changed.

Brussels

Share prices closed mostly lower in moderate trading.

Sidro and Wagons-Lits rose, but Asturienne, Union Miniere, Vieille Montagne, Hoboken, FN, Solvay, CBR and Arbed fell.

In foreign stocks, UK and German were lower and Dutch little changed. U.S. and French rose.

Petrofina fell, but its Canadian unit rose. American Petrofina gained 4 per cent after its sharply higher nine-month net profits.

Switzerland

Share prices closed mixed with an easier bias in small volume.

Banks fluctuated narrowly. Leu Bearer fell and Paribas (Suisse) firmed. Union Bank of Switzerland was unchanged after reporting higher third-quarter results.

Financials and Insurances closed mostly easier, apart from Interpan Bearer and Participation Certificates, which recovered slightly from recent sharp declines.

Domestic Bonds remained depressed after Wednesday's rise in time deposit and medium-term note rates, while foreign bonds recovered slightly.

Dutch Internationals and German issues continued lower. In Oils, Elf Aquitaine was again firmer, while Norsk Hydro lost ground on profit-taking.

Australia

The market retreated on profit-taking from its near-record highs reached earlier in the week.

The Sydney All Ordinaries Index fell 1.52 to 685.27.

CSR's bid for 17 per cent of Thiess was the highlight of the session, pushing coal stocks up during the morning, but they fell on profit-taking in the afternoon.

Coal and Allied Industries was steady at A$7.50 after reaching a high of A$7.80. Oakbridge lost 7 cents to A$2.40, while White Industries gained 5 cents to A$4.80.

Woodside Petroleum fell 3 cents to A$1.72, Santos rose 2 cents to A$6.30 and Vamgas 5 cents to A$3.35.

BHP fell 2 cents to 9.74, and takeover target BH South shed 10 cents to A$3.65. Western Mining fell 11 cents to A$3.38.

Pioneer Sugar dropped 15 cents to A$28.5.

Hong Kong

The market closed slightly easier in continued quiet trading prior to the long weekend holiday.

Turnover fell sharply to HK$72.79m from HK$114.68m the previous day.

NOTES: Belgian dividends are after withholding tax. ◆ DM 50 denom. unless otherwise stated. ♠ Pts 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ⊕ FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

Indices

NEW YORK—DOW JONES

	Oct. 24	Oct. 23	Oct. 22	Oct. 19	Oct. 18	Oct. 17	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	808.36	806.35	809.13	816.85	836.12	838.72	897.61 (5/10)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	77.24	77.68	78.26	78.44	79.10	79.05	86.10 (15/1)	77.24 (26/10)	—	—
Transport.	226.92	226.65	237.02	231.20	237.49	237.53	271.77 (13/9)	206.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	99.24	99.27	99.58	101.13	102.64	102.64	109.61 (23/8)	98.24 (24/10)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	31,769	32,919	43,240	42,820	39,660	29,830	—	—	—	—

◆ Day's high 816.64 low 803.24

	Oct. 19	Oct. 12	Oct. 5	Year ago (approx)
Ind. div. yield %	5.11	5.93	5.54	3.32

STANDARD AND POORS

	Oct. 24	Oct. 23	Oct. 22	Oct. 19	Oct. 18	Oct. 17	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	112.57	112.36	111.82	113.77	113.60	115.71	124.49 (5/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	100.44	100.28	100.71	101.60	103.31	103.39	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Oct. 17	Oct. 10	Oct. 3	Year ago (approx)
Ind. div. yield %	8.30	5.20	4.99	4.83
Ind. P/E Ratio	7.97	7.30	8.13	9.34
Long Gov. Bond Yield	2.86	9.75	0.30	8.93

N.Y.S.E. ALL COMMON

Oct. 24	Oct. 23	Oct. 22	Oct. 19	1979 High	1979 Low
56.83	56.70	56.95	57.32	62.88 (21/9)	55.88 (27/2)

Rises and Falls	Oct. 24	Oct. 23	Oct. 22
Issues Traded	1,891	1,913	923
Rises	763	545	154
Falls	698	967	556
Unchanged	436	403	213
New Highs	—	—	—
New Lows	—	—	—

MONTREAL

	Oct. 24	Oct. 23	Oct. 22	Oct. 19	1979 High	1979 Low
Industrial	280.21	278.08	281.78	291.35	332.12 (5/10)	218.19 (2/1)
Combined	267.52	266.05	268.55	277.85	310.55 (5/10)	225.80 (2/1)
TORONTO Composite	1538.4	1526.3	1537.3	1597.5	1804.71 (5/10)	1315.8 (2/1)
JOHANNESBURG Gold	384.4	—	375.1	70.8	417.1 (2/12)	228.8 (17.4)
JOHANNESBURG Industrial	389.7	—	375.3	3571.7	389.7 (24/10)	270.5 (12/1)

	Oct. 25	Pre-vious	1979 High	1979 Low
Australia (¶)	685.27	686.79	692.65 (2/10)	545.72 (2/1)
Belgium (‖)	105.32	105.61	109.47 (5/10)	95.90 (3/1)
Denmark (**)	91.28	91.30	97.46 (25/7)	88.52 (8/1)
France (††)	95.0	94.6	107.1 (5/10)	71.5 (15/2)
Germany (‡‡)	722.40	728.40	839.6 (13/1)	719.6 (7/6)
Holland (§§)	69.9	78.1	86.9 (24/1)	69.8 (25/10)
Hong Kong (¶¶)	654.75	657.80	685.28 (3/10)	495.85 (9/1)
Italy (‖‖)	84.78	84.53	95.89 (4/10)	68.53 (2/1)
Japan (a)	437.04	436.60	465.24 (29/3)	435.1 (13/7)
Singapore (b)	397.69	398.58	425.55 (3/10)	346.55 (23/4)
Spain (d)	86.83	87.27	111.96 (8/3)	86.65 (25/10)
Sweden (c)	358.50	358.42	401.54 (5/5)	331.3 (24/8)
Switzerld (f)	319.3	321.1	329.1 (2/5)	294.0 (5/1)

All indices have base values of 100 except NYSE All Common—50; Standards and Poors—10 and Toronto—1,000. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
IBM	597,900	62¼	−¼
Texaco	350,400	29⅛	+⅛
Avon Prod.	339,700	40⅞	−1⅛
Caesars	316,400	14⅛	+⅜
Kaiser Stl.	289,300	36⅛	−2⅜
Exxon	265,400	56	+⅛
Western Air.	254,500	9⅛	−⅛
Pan Am	242,700	5⅞	Unch.
La Land Ex.	238,500	48⅛	−1⅛
How Johnson	235,500	20⅞	+1⅛

NEW YORK

Stock	Oct. 24	Oct. 23
AMF	15	14⅞
AM Intl	13⅞	13¾
ARA	36⅜	36½
ASA	28⅜	28
Abbott Labs.	36⅜	33⅝
Acme Cleve.	20¾	21
Adobe Oil & Gas	36⅝	35¼

Stock	Oct. 24	Oct. 23
Cooper Inds.	58¼	56
Coors Adolph	13¼	13¼
Copeland	12¼	12⅝
Copperweld	18	17⅞
Corning Glass	58	57⅝
Corroon Black	26¼	29⅛
Cox Broadcast'g	61¼	61⅛
Crane	30⅛	30¼
Crocker Nat	28	28

Stock	Oct. 24	Oct. 23
Humana	22¼	23¾
Hunt (Philip A)	11	11½
Husky Oil	56⅝	57
Hutton (EF)	16¾	17
Huyck	11⅛	11⅝
IC Inds	26¼	24⅞
INA Corp	45	42⅞
IU Intl	19	12⅛

Stock	Oct. 24	Oct. 23
Outboard Marine	16⅛	15⅛
Overseas Ship	27¾	27½
Owens-Corning	25¼	26⅛
Owens Illinois	18⅞	19¼
PPG Inds	29¾	30
Pabst Brewing	11¼	11¼
Pac. Gas & Elect	21¼	21⅞
Pac. Lighting	20	20⅛
Pac. Lumber	44½	45⅜

Stock	Oct. 24	Oct. 23
Tonka	8⅞	8½
Total Pet.	19⅛	17¾
Trane	16⅞	16⅞
Transamerica	16½	15¼
Transco	32¾	61⅞
Trans Union	30¼	30
Transway	21¾	21⅞
Trans World	16¾	16⅞
Travelers	33¾	63½

GERMANY ◆

Oct. 25	Price DM.	+ or −	Div. %	Yld %
AEG	40.1		—	—
Allianz Versich.	473	−15	31.2	3.3
BHF-BANK	197	−2	28.12	7.9
BMW	168.0	−0.5	28.12	8.1
BASF	138	+6.2	18.75	6.8

TOKYO ¶

Oct. 26	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	380	+9	14	1.8
Canon	631	+20	12	1.1
Casio	720	−4	25	1.7
Chinon	515		20	3.2
Dai Nippon Print	584	+2	18	1.3
Fuji Photo	677	−8	19	1.3

AUSTRALIA

Oct. 25	Aust. $	+ or −
ACMIL (25 cents)	†0.80	+0.01
Acrow Australia	†0.79	
Allstate Explorations	†0.52	+0.04
AMATIL $1	†2.58	+0.31
Ampol Exploration	‡2.00	

STOCKHOLM

Oct. 25	Price Kronor	+ or −	Div. Kr.	Yld. %
AGA AB (Kr. 50)	135	+1	5	5.8
Alfa Laval (Kr.50)	122	+1	5	3.0
ASEA (Kr.50)	69	+0.3	5	7.4
Atlas Cop. Kr.25	71	−0.5	5.8	8.2
Billerud	60.3		—	—
Bofors	121	−1	5	4.1

AMSTERDAM

BRUSSELS/LUXEMBOURG

COPENHAGEN ♣

VIENNA

SWITZERLAND ◆

MILAN

PARIS

BRAZIL

OSLO

JOHANNESBURG

SPAIN ♠

Financial Rand U.S.$4 (Discount of 30%)

COMMODITIES AND AGRICULTURE

China signs for more Australian wheat

By Our Own Correspondent

PEKING — An Australian Wheat Board mission yesterday signed an agreement to sell China 1.5m tonnes of wheat, confirming Australia's place as one of China's major suppliers.

The wheat, to be shipped during 1980, brings the total negotiated under the three-year agreement signed in Peking in January to 4.5m tonnes.

Mr. Cliff Semmler, the deputy general manager of the AWB, said in Peking last night the three-man mission regarded its negotiations with China as "very satisfactory."

He did not disclose the prices to be paid but said the value of the contract would be "well over $200m."

"Wheat prices are through the roof this year," Mr. Semmler said. "The market is bullish and the Chinese were very keen to purchase our wheat."

China, which signed for 2m tonnes of Canadian wheat three weeks ago, appears to be maintaining purchases at a high level despite an excellent summer wheat crop of about 48m tonnes.

Mr. Semmler said he expected the AWB would make further satisfactory arrangements for shipments to China in 1981, the final year of the current long-term agreement.

Rise in world cotton stocks forecast

WASHINGTON — World cotton stocks in the current 1979/80 season are expected to rise to between 24m and 25m bales from 22.5m estimated for this August 1, the International Cotton Advisory Committee (ICAC) said.

The ICAC said world production was projected to rise about 4.3m bales from the 60.1m produced last season, while consumption was expected to remain at roughly 62.8m bales used in the 1978/79 season.

The larger supplies should be a favourable factor for world cotton trade, but volume was likely to be constrained by the less optimistic outlook for consumption compared with last season. World trade in the 1978/79 season amounted to nearly 20m bales, the ICAC said.

Cocoa prices at three-year low

BY RICHARD MOONEY

LONDON COCOA futures prices fell to their lowest levels for three years yesterday as heavy speculative selling hit the market.

The March delivery position slipped to £1,361 a tonne at one time before ending the day £46 down at £1,378.5 a tonne.

Dealers said the fall was prompted by the development of "bearish" chart patterns and was also encouraged by recent supply/demand projections for the 1979-80 season which have indicated a world cocoa surplus for the third successive year.

They noted in particular the report published by London merchants Paterson, Simons and Ewart this week, predicting that world production will exceed consumption by 50,000 tonnes.

Yesterday the International Cocoa Organisation's statistical committee forecast the surplus would be 40,000 tonnes.

The shortage of immediately deliverable cocoa has hardened spot delivery premiums but has had little effect on overall market sentiment, the dealers added.

In Accra, meanwhile, Ghanaian cocoa experts told Reuters they expect the 1979-80 Ghana cocoa crop to reach about 300,000 tonnes, compared with a 20-year low of 263,000 tonnes last season.

There were clear signs of renewed interest in cocoa by Ghanaian farmers following the trebling of the producer price earlier this year, they said.

A new outlook appears to be developing among farmers after years of neglect, the experts said. Plantations are now being looked after with farmers throughout the country pruning and planting trees and taking proper action to prevent disease.

But it will take a clear and publicly stated long-term policy by the Government to encourage farmers to rejuvenate the country's fast-ageing cocoa plantations.

Ghana's weather recently has been identical to the neighbouring Ivory Coast's, with rain continuing, which means the cocoa crop will be late.

Shipments are only starting to trickle to the ports now, the experts said, and though the campaign officially opened on October 12 they expect it to run three or four weeks behind average.

In London, West Germany has protested over the withdrawal of the Ivory Coast from the world cocoa market.

At an executive committee meeting of the International Cocoa Organisation the West German delegation said the withdrawal was not in accordance with the terms of the international cocoa agreement.

World sugar market rallies to new peak

BY OUR COMMODITIES EDITOR

WORLD SUGAR prices bounced back yesterday, recovering all the heavy losses suffered on Wednesday. The March position on the London futures market reached a new life-of-contract high closing £11.925 higher at £167.175 a tonne, after having reached £168 at one stage. This compared with a fall of £11.10 the previous day.

The London daily sugar price was lifted by £5 to £150, just below the 30-month peak of £151 reach on Tuesday.

The New York market led the rally overnight, encouraged by a "buy" recommendation from a leading commission house. Generally it was thought that Wednesday's sharp downward reaction to the defeat of the U.S. Sugar Bill in Congress had been overdone.

Speculators and the trade are still convinced that sugar prices will go higher next year as a result of demand outstripping production.

The uptrend was also encouraged by the cutback in EEC export authorisations to 45,900 tonnes this week. Latest forecasts suggest that West German sugar production this season will be nearly 3 per cent lower, at 2.9m tonnes.

This will more than offset a predicted rise in the British crop to a record 1.1m tonnes of sugar compared with 1.02m tonnes.

Minister reassures fishermen

By Our Commodities Staff

MR. PETER WALKER, Minister of Agriculture, yesterday promised the fishing industry the Government would not "trade off" fishing during negotiations on other Common Market issues.

Soothing fears that a deal was in the offing to win concessions in the fight to reduce the UK's contribution to the Community budget, Mr. Walker also pledged that he would work closely with the fishermen at all stages of the talks on reform of the Common Fisheries Policy.

The British Fishing Federation complained recently it had not been adequately consulted, and said it feared the Minister's new tactics in the fisheries debate could be detrimental to the future of the industry.

After meeting industry leaders in London, Mr. Walker said: "There is no way in which the UK Government will trade off fishing for some deal in another area of Common Market negotiations.

"It is vital that the closest links are maintained between Government and the industry. We will be working with the industry at all stages of the negotiations."

Scottish fish farmers win rating case

By a Correspondent

FISH FARMERS in Scotland have won a significant victory in their long-running campaign for the industry to be de-rated in the manner which applies to agricultural holdings.

The Scottish National Farmers Union has won a test case taken on behalf of the Isle of Jura fish farm. The case was heard by the Local Valuation Appeal committee in Oban on October 9.

"We have now been given oral confirmation that we have won," a union spokesman said in Edinburgh yesterday.

The committee has ordered the Jura farm to be deleted from the valuation roll where it first appeared in April 1978 with a rateable value of £4,600.

The case is now almost certain to go to appeal before the Lands Valuation Appeals Court in Edinburgh.

"We are delighted to have won this round," said the union spokesman.

FRENCH LAMB IMPORTS ROW

Walker insists on free trade

BY CHRISTOPHER PARKES

MR. PETER WALKER, Minister of Agriculture, made it clear yesterday that he would not accept anything less than a complete climb-down by the French in the Franco-British confrontation over trade in lamb.

He warned France that unless it allowed permanent and free access to imports of mutton and lamb from Britain, starting this week, the European Community would remain "in a situation of crisis."

Responding to the relaxation of the French import ban, Mr. Walker stressed that any interference or manipulation of the trade would be "wholly illegal."

Perplexed by the ambiguities in the French offer, Mr. Walker said he had asked Mr. Finn Gundelach, EEC Agriculture Commissioner, and the British Ambassador in Paris to put a direct question to the French Government: "will you, as from this week, permanently allow free access of British sheepmeat to the French market free of all levies and restrictions.

"If the answer is 'no' then the Community remains in a situation of crisis," the Minister said in a statement.

Mr. Walker received a letter yesterday from M. Pierre Mehaignerie, the French Agriculture Minister, but it failed to make clear precisely what France proposed to do.

Saying that imports of lamb could resume this week, M. Mehaignerie claimed that the resulting purchases "should make it possible to observe the pattern of trade traditionally established in periods when the frontier is open"

Mr. Walker retorted that if this implied that quantitative limits were to be placed on shipments, based on past trade which was subject to "enormous levies," then the French proposal was "wholly illegal."

M. Mehaignerie also said the meat taken from Britain to France would be stockpiled by the French intervention agency, Onibev. "This seems to imply that it will not be free to be sold in France," Mr. Walker said.

"I hope M. Mehaignerie will remove all these doubts and ambiguities by stating clearly and unambiguously that France will comply immediately with the unequivocal decision of the European Court," he added.

Mr. Richard Butler, president of the National Farmers' Union, also demanded clarification. "While the French response indicates that they do not wish to defy the European Court, it is both ambiguous and unsatisfactory," he said.

'Green oil' has yet to flow

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

ALTHOUGH THE exact details of the new French policy on sheep meat are not yet clear, the decision to lift the ban on British exports of lamb must have come after much heart-searching. Not least because of the possible expense of a national subsidy.

But there is no doubt that the ultimate aim will be to secure a Community regulation to help lighten this burden, plus a determined effort to shift French products, particularly in the dairy sector, onto the British market.

Agricultural exporting, it became clear during a recent visit to France, will be the paramount aim of any French administration. It has just been realised that although France is the most favourably placed country for farming in the Community it is far from fulfilling the policy set out by the President some years ago of producing what he termed France's "green oil."

The trouble is that while France is, for instance, the largest exporter of cereals in the Community, these are a basic and comparatively cheap product while at the same time France has suffered from what are said to be excessive imports of pork, chicken and eggs from neighbouring Community countries. These are produced from cheap imported manioc and soya while French grain goes either for export or into intervention agencies. Overall it is feared that the balance of food trade may be slightly in deficit when tropical products are taken into account.

Basically, the trouble has been one of structure. Farms have been traditionally small, serving mostly in local outlets. Social and political pressures have been against bigger units and there has been no export policy to discipline producers into meeting market needs on the lines of say the Dutch or the Danes.

There is still much hostility to any substantial increase in the size of farms. A law against accumulation of farm business, which is fairly widely applied, still limits farm size to that which can be worked by a family. There would be no chance at present for "agribusiness" to take root in France.

This in itself would be no bad thing. The main units in the competing countries, Denmark, Holland and Belgium are all of family size. The difference is that co-ordination between farm and market is almost entirely absent in France. French pigmeat is still largely sold through thousands of individual pork butchers or charcutiers who dominate the trade in all but the largest population centres.

It is also extraordinary that over 40 per cent of French pigs are produced in Brittany, hundreds of miles from where most of the grain is grown. In Holland, most feed mills are supplied direct with imported supplies.

I would be the last to suggest that a rationalisation of food processing on the British or Dutch model would improve the quality of the products, but it would make the industry more economic. In these days economics take precedent. But in time the whole of Europe will have to eat the same standardised pre-packed food we suffer today.

The French Government has taken the first step to this end by appointing a new Secretary of State, Michel Debatisse, an ex-farmers' leader, to look after the development of the agricultural industry and increase its potential for adding value to basic produce.

The chances of his success are questionable in the short term. It will take a long time to co-ordinate marketing arrangements in spite of a multiplicity of farm co-operatives of every kind. Like the British, French farmers are victims of their own independence.

But the underlying basis is a strong agriculture. France is at present growing 40 per cent of Community grain and this proportion could well increase in the future. There is no reason why this should not be converted to animal products in the areas where it is grown, and as transport becomes more costly the logic of this would become increasingly apparent.

Technically, French farming, even in what are called the peasant areas, is of a high order. Flocks of sheep are often mated by synchronisation, a complicated process only tried experimentally in Britain. Artificial insemination of dairy cows has spread through the more productive breeds throughout the country—small wonder that French milk output rose by 3½ per cent last year.

Of significant interest this autumn was the way in which maize silage was being made in every area I visited. This makes one of the best winter maintenance rations for cattle and sheep, far better than any that can come from grass.

The last, but most important point to me, was that of youth. Until a few years ago to see a young man on a tractor or with a herd of cows was a matter to be noted. Today they seem to be everywhere.

This may be a reflection of the oil crisis and a decline in the number of urban jobs but these younger people will be a potent force in future farming.

Farmers, too, are politically quite strong, courted by both left and right. They are sour at present, complaining of price stagnation and cost inflation, and blaming it all on the Common Market. But in a few years they could and probably will be dominating European farming.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier in fairly subdued trading on the London Metal Exchange. Forward metal traded between £940 and £934 in the morning with the contango tending to widen. In the afternoon small scale buying pushed the price up to £943 but the market failed to sustain this level and fell back to close the late kerb at £939. Turnover 18,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	927-8	-7	928-50	-8
3 months	937.5-8	-7	942-5	-5
Settlem't	928	-7	—	......
Cathodes				
Cash	914-5	-10½	913-5	-15
3 months	923-4	-5	925-8	-5
Settlem't	915	-10	—	......
U.S. Prod	—	......	a1	-8.25

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £927, three months £938, 87, 38, 37, 35, 34, 33, 34, 36, 37, 37.5, 38. Cathodes three months £923. Kerb: Wirebars three months £937, 38, 39, 40, 39. Afternoon: Wirebars three months £938, 39, 40, 45, 44, 43, 42, 43. Cathodes—Kerb: Wirebars three months £939, 40, 39, 38, 39, 40.

TIN—Gained ground throughout the day owing to good buying against eastern European physical demand which lifted forward metal from £7,235 to a high of £7,300 prior to a close on the late kerb of £7,290. Turnover 955 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7380-5	+27.5	7400-20	+40
3 months	7275-90	+27.5	7295-310	+50
Settlem't	7385	+25	—	......
Standard				
Cash	7380-5	+27.5	7400-20	+40
3 months	7275-80	+30	7295-300	+55
Settlem't	7385	+25	—	......
Straits. E.	‡$2007	+5	—	......
NewYork	—	......	—	......

Morning: Standard cash £7,370, 80, three months £7,240, 50, 60, 65, 70, 75. High Grade cash £7,385. Kerb: Standard three months £7,275, 80, 90. Afternoon: Standard three months £7,280, 90, 95, 7,300. Kerb: Standard three months £7,290, 85.

LEAD—Lower again as forward metal fell through a chart point at £585 which brought out chartists and stop-loss selling. The market was additionally weakened by the narrowing of the backwardation which reflected trade lending. Forward metal dipped to £581.5 on the morning kerb but attempted to rally in the afternoon with forward metal edging up to £583. However, renewed selling touched off further stop-loss sales and the price dropped to £574 before closing the late kerb at £576. Turnover 12,975 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	585-6	-23.5	581-2	-21.5
3 months	583-4	-20	582-3	-14.5
S'ment	583	-24	—	......
U.S. Spot	—	......	*58-65	......

Morning: cash £585, 86, 85, three months £586, 85, 86, 87, 86, 83, 84, 83. Kerb: three months £584, 83, 81, 82, 81. Afternoon: cash £583, 82, three months £582, 81, 82, 83, 84, 82. Kerb: three months £582, 81, 80, 81, 80.5, 80, 78, 78, 75, 74, 76, 78, 79, 78, 77, 76.

ZINC—Held steady all day in quiet trading to close the late kerb at £329, with prices sustained by reported selling of lead and buying of zinc. Turnover 2,575 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	320-1	......	318-9	-5
3 months	330-1	+1	328-9	-5
S'ment	321	......	—	......
Prim w'st	—	......	*57	......

Morning: three months £331, 30. Kerb: three months £330. Afternoon: three months £332, 29. Kerb: three months £329.

ALUMINIUM—Marginally easier with forward metal initially falling from £800 to £792. Support developed at this level on the price rallied to £795 but further stale bull liquidation depressed the price again to a close of £789 on the late kerb. Turnover 3,500 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	835-40	-20	840-50	-7.5
3 months	793-4	-10	794.5-5	-4.25

Morning: cash £845, 84, three months £798, 87, 98, 92, 91, 93. Kerb: three months £793, 94, 81. Afternoon: three months £789, 90, 91, 92, 93, 95. Kerb: three months £793, 94.

NICKEL—Higher on Commission House and chartist buying took forward metal up from £2,770 to the day's high of £2,810 in the afternoon before a close on the late kerb of £2,800. Turnover 372 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2720-30	-18	2740-50	+10
3 months	2780-5	+7.5	2732-880	+25.8

Morning: cash £2,720, three months £2,770, 80, 90, 95, 90, 85. Afternoon: three months £2,790, £2,800. Kerb: three months £2,800.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 6.5p an ounce lower for spot delivery in the London bullion market yesterday at 810.3p. U.S. cent equivalents of the fixing levels were: spot 1,712.2c, down 3.9c; three-months 1,756.5c, down 6.0c; six-month 1,781.8c, down 3.5c; and 12-month 1,853.7c, down 13.5c. The metal opened at 810-820p (1,715-1,735c) and closed unchanged at 810-820p (1,715-1,725c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	810.30p	-6.5	818.0p	-3
3 months	829.30p	-6.9	831.50p	-2.7
6 months	840.40p	-6.0	—	......
12months	875.40p	-8.8	—	......

LME—Turnover 120 (92) lots of 10,000 ozs. Morning: Three months 830, 31.5, 31, 30. Kerbs: Untraded. Afternoon: Three months 831, 30. Kerbs: Three months 830, 1.

COCOA

During an active trading day levels eased sharply and at the close were some £75 below Wednesday's close. Physicals found some support from scale down industry buyers but origins were totally withdrawn, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
Dec	1370-1375	-58.0	1415-1355
March	1378-1379	-48.0	1400-1361
May	1359-1401	-46.0	1420-1382
July	1423-1427	-40.5	1450-13
Sep	1448-1450	-43.8	1460-45
Dec	1481-1482	-35.5	1481-70
March	1500-1520	-28.8	—

Sales: 9,101 (1,234) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Oct. 24: 133.66 (134.51). Indicator price Oct. 25: 15-day average 139.86 (140.80). 22-day average 142.62 (143.13).

COFFEE

London coffee futures once again consolidated in a narrow range following early gains of up to £10. However previous sellers turned buyers at the midday call to push prices to the highs of a generally quiet morning session, reported Drexel, Burnham, Lambert. In the afternoon good trade selling restricted any further upwards move and values eased slightly lower to finish with only small gains overall.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
November	1814-16	+7.8	1824-10
January	1827-28	+8.0	1840-25
March	1790-94	+6.5	1795-88
May	1770-72	+7.0	1778-67
July	1756-62	+1.0	1770-62
Sept.	1750-55	+1.0	—
November	1740-48	-5.5	—

Sales: 5,997 (3,517) lots of 5 tonnes.

ICS Indicator prices for October 24 (cents per pound): Other Mild Arabicas 209.83 (210.00). Robustas ICA 1976 179.50 (180.50). ICA 1968 179.75 (180.75). Unwashed Arabicas 211.00 (same). Comp. daily ICA 1968 200.72 (201.00).

GRAINS

LONDON GRAIN FUTURES — The market opened unchanged, good buying interest in wheat rallied the market and values closed firm 25-55p higher on November. Barley saw more selling pressure and values close—10p lower on November to 5p as on distants—new crops saw very little interest and closed 10-15p down on the day, reported Acli.

WHEAT Mnth	Yesterd'y's close	+ or —	BARLEY Yesterd'y's close	+ or —
Nov	96.40	+0.55	93.00	-0.12
Jan	99.50		97.45	-0.05
Mar	103.50	+0.25	101.05	+0.05
May	105.80	+0.35	104.00	
Sept.	98.70	-0.10	95.40	-0.15

Business done—Wheat: Nov. 96.40-94.85, Jan. 99.80-99.50, March 103.55-103.25, May 105.80-105.45, Sept. 98.70-98.70. Sales, 286 lots of 100 tonnes. Barley: Nov. 93.10-92.70, Jan. 97.55-97.30, March 10.115-100.85, May 104.15-103.95, Sept. no trade. Sales, 437 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other Milling Wheat: S. East 100.00, S. West 100.20, W. Midlands 96.00, N. West 97.30. Feed Barley: S. East 91.40, S. West 92.60, W. Midlands 92.50, N. West 92.70.

The UK Monetary Coefficient for the week beginning Monday, October 29, is expected to remain unchanged.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Oct. 103.50, Nov. 103.75, Dec. 108.20, transhipment East Coast. U.S. Hard Winter 13½ per cent Oct. 104.50, Nov. unquoted, Dec. 106.75 transhipment East Coast. EEC unquoted. Maize: U.S.-French Nov. 114.75, Dec. 115.25 transhipment East Coast. S. African White unquoted. S. African Yellow Oct.-first half Nov. 78.50, second half Nov. 79. Barley: English Feed fob Nov. 87, Dec. 98.50, Jan.-March 103.60 East Coast. Sorghum: U.S.-Argentine unquoted. Oats: Scandinavian Feed unquoted.

RUBBER

The London physical market opened about unchanged. With fair interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 281 (same) cents a kg (buyer, November).

No. 1 R.S.S.	Yesterd'y's Close	Previous Close	Business Done
Nov.	62.55-62.60	62.40-62.45	62.25-62.00
Dec.	63.50-63.80	63.50-63.70	63.10-63.05
Jan-Mar	65.75-65.90	65.60-65.65	66.00-65.50
Apr.-Jne	68.55-68.60	68.35-68.40	68.60-68.25
Jly-Sept	70.95-71.00	70.80-70.95	71.10-70.70
Oct-Dec	73.45-73.50	73.40-73.60	—
Jan-Mar	75.90-75.95	75.80-76.05	75.95
Apr-Jne	78.40-78.45	78.40-78.45	78.50-78.25
Jly-Sep	80.75-80.80	80.50-80.55	80.75-80.40

Sales 367 (327) at 15 tonnes, 111 (49) at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.25p (61.50p); Dec. 66.00p (same); Jan. 66.75p.

SOYABEAN MEAL

The London market opened steady on quiet trading, reported T. G. Roddick. The market remained futureless throughout the session. However, later in the day some short covering was evident.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
December	118.50-18.4	+1.0	118.40-17.80
February	120.00-20.2	+1.25	120.20-19.80
April	121.10-21.8	+1.20	—
June	122.50-25.0	+1.25	—
August	121.10-25.5	+0.70	—

Sales: 42 (38) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £150.00 (£145.00) a tonne cif for Oct.-Nov. shipments. White sugar daily price was £162.00 (£160.00).

Sentiment was encouraged by the overnight recovery of the New York market and keen buying interest was immediately apparent at the opening. Despite substantial scale-up selling gains of some £3.00 were quickly recorded and thereafter buying persisted throughout the day which sustained prices at the higher levels despite intermittent bouts of profit taking, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Dec.	162.15-62.50	158.50-61.00	162.75-58.25
March	167.15-67.20	155.30-56.40	168.00-65.25
May	168.15-68.20	156.75-57.00	168.75-66.50
Aug.	168.75-69.00	158.40-58.50	169.75-67.00
Oct.	170.50-72.95	160.90-61.00	171.25-69.75

Sales: 8,186 (10,563) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.95 (same) a tonne for home trade and £227.50 (£220.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for October 24: Daily price 12.40 (12.52); 15-day average 11.92 (11.81).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales): Feb. 170.00, 171.50, 170.00-169.00, 34; April 171.00, 173.50, 172.50-163.50, 75; July 172.00, 178.50, nil, nil; Sept. 174.00, 182.00, nil, nil; Nov. 179.00, 182.00, 180.00, 2; Feb. 180.00, 198.00, nil, nil; April 190.00, 195.00, nil, nil. Sales: 111.

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller only). Oct. 232.0, unquoted; Dec. 218.0, 238.0; March/May/July/Oct./Dec./March/May 232.0, 242.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, only). Oct. 198.0, unquoted, Dec. 202.0, 212.0; March / May / July / Oct. / Dec. / March/May 204.0, 210.0.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Micron Contract: Dec. 446.0, 450.0, 449.0-447.0, 20; March 462.0, 464.0, 465.0-460.0, 136; May 465.0, 465.5, 466.5-464.0, 73; July 468.5, 469.0, 470.0-468.0, 31; Oct. 468.0, 469.0, 469.0-469.0, 11; Dec. 468.5, 470.0, 471.0-470.0, 14; March 470.0, 472.5, 475.0-473.0, 11. Sales, 296.

PRICE CHANGES

In tonnes unless otherwise stated.

	Oct. 25 1979	+ or —	Month ago
Metals			
Aluminium	£750/60	......	£710/50
Free Mkt (cis)	$1750/1800	......	$1620/40
Copper			
Cash w'bar	£929	-8	£1,090.5
3 mths	£942.5	-5	£1,093.5
Cash Cathode	£914	-13	£1,062
3 mths	£928.5	-5	£1,087
Gold troy oz	$392.0	-2	$398.5
Lead cash	£581.5	-21.5	£638.75
3 mths	£582.5	-14.5	£288a
Nickel	£3,050.62	......	£2,95a
Freemkt(cif)(lb)	285/280c	......	259/275c
Platin'm'try oz	£181.0	......	£181.0
Free mkt	£233.10	-0.5	£256.25
Quicksilver	$300/310	-17.5	$306/320
Silver troy oz	810.30p	-6.5	742.50p
3 months	829.30p	-6.0	705.50p
Tin Cash	£7,410	+40	£7,340
3 mths	£7,297.5	+65	£7,115
Tungsten	$146.47	......	$140.75
Wolfrm 22.04 cif	$140/144	......	$143/140
Zinc cash	£318.5	-3	£350
3 months	£328.5	-3	£358.5
Producers	$780	......	$780
Oils			
Coconut (Phil)	$915.0p	......	$905.0
Groundnut	‡	......	‡
Linseed Crude	£401	+6	£433
Palm Malayan	$605.0r	+15	$635.0
Seeds			
Copra Philip	$590q	......	$600
Soyabean(U.S.)	$259.0q	......	$294.50
Grains			
Barley Futures	£97.45	-0.05	£96.90
Maize			
French No3AM	£114.75q	+0.75	‡
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	£104.50	......	£102.2
Eng. Milling†	‡	-1.8	£93.0
Other commodities			
Cocoa ship't	£1,450	-58.0	£1,303
Future Mar.	£1,378.2	-48.0	£1,818.8
CoffeeFt'rJan.	£1,827.5	+8	£1,868.5
Cotton A.Index	77.80c	-0.35	78.0c
Rubber (kilo)	61.25p	-0.25	61.50p
Sugar (Raw)	£150.0	+3	£115.0
Woolt'p 64s kl	288p kilo	+4	276p

* Nominal. † Newcrop. ‡ Unquoted. p Oct.-Nov. q Nov. r Nov.-Dec. s Dec. t Jan. z Indicator. § Buyer.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 75 tonnes, bringing the total for the week so far to 533 tonnes. Slow operations were recorded, without users showing much enterprise in assessing future requirements. Interest was mainly centred on African and South American styles.

HIDES — Manchester: Considerably weaker, prices reflecting falls of 25-30 per cent. Second clear Ox 31-35.5 kilos, 40.60p a kilo (40.50p a kilo): 26-30.5 42.20p (46.0p): 22-25.5 52.0p (same). Light cows 50.10p (49.0p).

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 60.0 to 65.0. Eire hindquarters 68.0 to 72.0, forequarters 42.0 to 44.0. Veal: Dutch hinds and ends 98.0 to 102.0. Lamb: English small 46.0 to 52.0, medium 48.0 to 50.0, heavy 40.0 to 46.0. Scotch medium 46.0 to 50.0, heavy 40.0 to 46.0. Imported frozen NZ PL 52.0 to 52.0. Pork: English under 100 lbs 45.0 to 50.0, 100-120 lbs 40.0 to 48.0, 120-160 lbs 39.5, to 47.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—S. African: Valencias 4.00-5.30; Brazilian: 2.40-5.00. Satsumas—Spanish: 115/120's 4.20-5.80. Lemons—Italian: 100/150's 5.00; Cypriot: 11 kg 105/120 5.00, 5 kg 45/55 2.50; Turkish: 100/120's 5.00-5.20. Grapefruit—Cypriot: 4.00-4.50; Jaffa: 4.00-5.00; Honduras: 4.70; Mexican: Pink 36/48's 5.80-6.00. Apples—French: Golden Delicious, boxes 40 lb 138/175 3.40-4.80; 20 lb 1.00-2.20; Jumble pack 31 lb 2.00-2.40; Granny Smith 20 lb 2.40-3.00; Hungarian: Starking 43 lb 138's 5.00. Pears—Italian: Williams per pound 0.17-0.18. Grapes—Italian: Black 2.00, Italia per pound 0.25; Spanish: Almeria 2.20-2.40, Black 2.40-2.60. Bananas—Jamaican: Per 28 lb 4.00. Avocados—Canary: 5.00; Israeli: 3.60-4.00. Melons—Spanish: Green 4.00-4.80, Yellow 4.00-4.70. Onions—Spanish: 4.00-4.70. Dutch: 2.40. Polish: 3.00.

AMERICAN MARKETS

NEW YORK, October 25. THE GOLD and silver markets were lower on dealer selling and lack of follow through buying, while copper was fractionally higher on trade buying. Sugar was limit up as market fundamentals superceded emotions on heavy trade and speculative buying. Coffee was sharply higher due to continued aggressive trade interest. Coffee and cocoa markets have been drifting lower on lack of consumer interest. Soyabeans and products were firm and finished higher on good commercial interest. Grains recovered from early selling to close with moderate losses. The livestock complex was sharply higher as product demand remained excellent and developed a firm undertone, Heinold reported.

EUROPEAN MARKETS

ROTTERDAM, October 25.

PARIS, October 25.

INDICES

FINANCIAL TIMES

Oct. 24	Oct. 23	M'nth ago	Year ago
291.62	292.53	301.20	262.54

(Base: July 1, 1952=100)

MOODY'S

Oct. 24	Oct. 23	M'nth ago	Year ago
1145.3	1149.9	1157.3	977.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 24	Oct. 23	Month ago	Year ago
Spot	429.33	408.37	412.48	395.5
F'tur's	404.64	410.48	418.26	399.58

(Average 1924-25-26=100)

REUTERS

Oct. 25	Oct. 24	M'nth ago	Year ago
1651.7	1654.5	1660.5	1531.0

(Base: September 18, 1931=100)

Uncertain outlook in light of exchange control freedom leaves equity index slightly easier after 19-month low

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 8	Oct. 18	Oct. 19	Oct. 29
Oct. 22	Nov. 1	Nov. 2	Nov. 12
Nov. 3	Nov. 15	Nov. 16	Nov. 26

* "New time" dealings may take place from 9.30 am two business days earlier.

Stock markets were gloomy again yesterday with renewed all-round easiness again reflecting investors' uncertainty and further sizeable selling of some shares which was assumed to be disinvestment by fund managers of UK securities in order to transfer funds abroad following the Government's ending of exchange controls.

Leading equities and Government stocks started on a steady-to-firm note, but nervousness set in as rumours began to circulate of an impending change in Minimum Lending Rate accompanying an economic package designed to protect sterling. In the event, MLR remained at 14 per cent and there were no protective measures.

Leading shares then rallied to close well above the day's worst but the majority of industrials still showed widespread falls. The FT 30-share index, down 7.3 at noon, ended with a loss of 2.4 for a two-day fall of nearly 14 points at 447.1. Yesterday's close represented a seven-day drop of 25.4 to only a point above the closing low for the year; at noon yesterday, the index was at a 19-month low.

Generated by the suspension of dealings in Oil Exploration and Lasmo pending the outcome of merger talks, early firmness and excitement on the Oils pitch later subsided. At the close, price movements were narrowly mixed.

British Funds were volatile throughout. A recovery was attempted at the start of business but on the completion of initial bear-covering the market became nervous and unable to maintain a set course. The shorter maturities went steadily downwards to end with falls to ¼ and only fractionally above the day's lowest, but the longs settled with mixed movements ranging from losses of ⅛ to gains of ⅛.

Failing to keep pace with the previous day's total of 918, the number of traded option contracts completed yesterday contracted to 781. Imps were fairly active, recording 106, while BP and Marks and Spencer recorded 95 and 94 respectively. Speculation over the possibility of a counter bidder emerging for the company led to 80 deals being completed in EMI.

Despite the adverse market conditions, Link House Publications, which staged an impressive debut on Wednesday, firmed a penny to 161p, after 163p. The other market newcomer, Vitatron, eased 2 to 263p; on Wednesday, the managing director sold 42,500 shares in order to assist in the establishment of a less narrow market in the shares.

Keyser Ullman firm

In an otherwise dull banking sector, Keyser Ullmann improved 2 to 67p, after 68p, on revived bid speculation. Minster Assets cheapened 2 to 51p in front of today's interim results, while Mercury Securities dipped 6 to 160p. The major clearing banks showed early reactions to 8 on fears of an increase in Minimum Lending Rate but rallied late on the unchanged announcement. With the exception of Barclays, which ended 3 off at 405p, after 400p, prices closed at their overnight levels.

Insurances succumbed to the general malaise. Phoenix cheapened 6 to 222p, Commercial Union 5 to 125p and Eagle Star 4 to 159p. News that London Trust has increased its holding in the group to nearly 7 per cent failed to enthuse the recently vulnerable Christopher Moran which eased the turn to 28p.

Renewed selling was reflected in widespread losses in the Brewery sector. Whitbread "A" shed 5 more to 127p and Bass 4 further to 215p among the leaders.

Buildings wilted under early selling pressure, but subsequently steadied at the lower levels and sometimes finished above the worst. Blue Circle ended just a couple of pence cheaper at 252p, after 250p, and London Brick a penny off at 68p, after 67p. Certain Contracting and Construction issues remained dull, Taylor Woodrow shed 11 to 347p and Redland eased 5 to 175p, while Brown and Jackson also declined 5, to 200p, and Wilson (Connolly) fell 14 to 186p, the last-named in a thin market. The good half-yearly results from F. J. C. Lilley left the shares 2 easier at 76p. Among Housebuilders, Gough Cooper closed 5 lower at 87p and Milbury also shed 5, to 58p. Timbers, which held relatively steady on Wednesday, met persistent selling with Travis and Arnold falling 9 to 229p and Magnet and Southerns dipping 5 to 148p; Mallinson-Denny, half-yearly results next Tuesday, shed 3½ to 58p, while James Latham receded 10 to 180p, the latter in a limited market. Elsewhere, Hoveringham restricted voting shares, still reflecting the poor interim performance, lost 4 for a two-day fall of 10 to 71p.

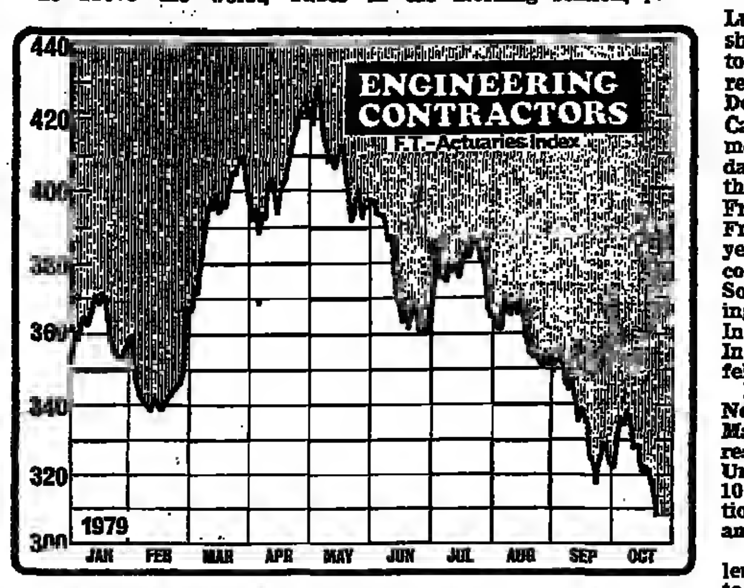
ICI encountered a more balanced trade and, after slipping to 332p in early dealings, rallied to 340p for a gain of 3 on balance. Fisons also added 3, to 247p. Laporte, however, still depressed by the rights issue announcement, eased 3 for a three-day fall of 15 to 101p while Plysu ran back 9 to 98p on a withdrawal of speculative support.

Burton A fall

Persistent selling and lack of support made for another dull day in Stores. The leaders were featured by a fall of 14 to 268p in Burton A, while Gussies A, 360p, and W. H. Smith A, 150p, surrendered 4 apiece. Elsewhere, Bambers fell 14 further for a three-day reaction of 34 to 96p since the Board's cautious remarks about second-half trading which accompanied the interim results. Comment on the first-half figures prompted a fall of 4 more in B & Q Retail to 86p, while Lee Cooper lost 14 to 248p. Harris Queensway, 216p, and Home Charm, 133p, declined 8 apiece while John Michael cheapened 5 to 38p. Among Shoes, falls of 5 and 6 respectively were seen in Stylo, 210p, and George Oliver A, 112p. Hiltons Footwear cheapened a penny to 31p; the price in yesterday's issue was incorrect.

Electricals encountered fresh selling, particularly some of the recent high-fliers. Among the leaders, GEC weakened afresh to 325p before meeting support and rallying to close 6 off on balance at 333p. However, hopes of a counter-bid or an increased offer from Thorn encouraged a revival demand for EMI which hardened 4 to 143p; Thorn eased 5 more to 365p, giving a value of 127p to its share-exchange offer. Elsewhere, Muirhead remained on offer and weakened 10 more to 250p while Wholesale Fittings gave up 15 to 450p in a restricted market. H. Wigfall, 255p, and Unitech, 206p, reacted 9 and 6 respectively, while Eurotherm closed 7 cheaper at 308p. Brooks ended 7½ down at 95½p; it was announced yesterday that Racal had sold its holding in the company. Against the trend, Berec moved up 6 to 80p on the better-than-expected half-yearly figures.

Engineering leaders closed a little above the worst, Tubes ending 4 cheaper at 276p, after 274p, and Vickers 2 down at 127p, after 126p. Dullness in secondary issues became more pronounced with widespread losses recorded throughout the list. Stothert and Pitt weakened 8 to 140p on the chairman's forecast of a half-yearly loss in the annual report. ML Holdings fell 12 to 200p in a restricted market, while Wadkin gave up 10 to 100p and losses of around 8 were marked against Staveley, 200p, Vosper, 180p, and Martonair, 173p. Fresh selling left British Aluminium 5 cheaper at 173p and Mining Supplies 4 lower at 78p. Against the trend, Mckechnie responded to the increased dividend and annual profits with a rise of 3 to 85p.



Selling among leading Foods eventually dried up and the appearance of buyers in late trading left some issues with small gains on balance. Associated Dairies, at 250p, recovered a couple of pence of the previous day's drop of 18, while United Biscuits firmed 3 to 81p. However, J. Sainsbury and Tesco remained on offer, the former easing 4 further to 283p, after 280p, and the latter shedding 2½ to 68p. Speculative counters gave ground on profit-taking, George Bassett and William Morrison relinquished 4 apiece to 90p and 152p respectively, while Robertson dipped 5 to 144p. Still depressed by the interim loss and dividend omission, P. Panto fell 3 further to 18p.

Walker and Homer down

Interest rate fears continued to worry the miscellaneous industrial leaders yesterday and in the morning session, prices were sold down further to new lows for the year. However, the absence of a rise in Minimum Lending Rate prompted a modest rally which left closing prices a couple of pence above the lowest places. Unilever rallied from 476p to finish a net 6 down on balance at 482p. Pilkington gave up 7 to 273p and Bowater dipped 5 to 165p, after 164p. Boots relinquished 3 to 170p, after 168p, while Beecham, after touching 132p, picked up to end 2 dearer on balance at 135p. Falls among the secondary issues were more severe, double-figure losses being commonplace. Diploma Investments fell 15 to 349p, Applied Computer declined 13 to 195p, BTR slipped 12 to 290p, while reactions of 11 and 10 respectively were seen in Cawoods, 152p, and Siebe Gorman, 164p. Recent North Sea oil favourite I.C. Gas ran back 16 to 372p and Jacksons Bourne End closed 13 cheaper at 155p. News of the final dividend omission and loss for the year left Walker and Homer 3 down at a 1979 low of 9p, while Central and Sheerwood reacted a penny to 27½p on the lower interim earnings. Uniflex gave up 4 to 96p after half-yearly figures and William Press eased the turn to 23p following a contraction in first-half profits. By way of contrast, Gomme moved up 2 to 52p on further consideration of the preliminary results.

Tha uninspiring interim results left Associated Leisure 4½ cheaper at 91p. Elsewhere in the Leisure sector, Boosey and Hawkes relinquished 8 to 182p; the half-yearly results are due next Tuesday. Recently the subject of favourable Press comment, Hawley Leisure shed 3½ to 44p on profit-taking.

Among Motor Components, Lucas remained on offer and shed 8 for a two-day fall of 14 to 210p, after 208p; the annual results are due on November 5. Dowty lost 11 to 284p. Zenith Carburetter A hardened a penny more to 82p after the previous day's jump of 12 which followed the announcement that Matra of France plans to acquire another French concern, Solex; Zenith yesterday made it plain that the company is not a subsidiary of Solex and that its ultimate holding company is Compagnie Industrielle et Financière SA. In Garages, F. G. Gates and Lex fell 4 to 36p and 87p respectively.

North Sea oil stocks Associated Newspapers, 249p, and Daily Mail A, 446p, shed 11 and 12 respectively on profit-taking. United Newspapers relinquished 10 to 388p. Elsewhere, acquisition news failed to sustain Ault and Wiborg which shed 2 to 45p.

The absence of a minimum lending rate increase did little to alleviate dullness in Properties where losses were again widespread although not of the previous day's magnitude. Land Securities eased 4 to 275p and MEPC 2 to 167p, while Great Portland Estates shed 6 to 200p. Stock Conversion were sold down to 370p, off 16. Despite the increased annual profits and asset revaluation, Peachey held at 120p, but profit-taking clipped 15 from Bernard Sunley to 610p, while recently relaunched Estates and Agency shed 7 more to 116p. Bank and Commercial, however, put on 5 to 95p, after 100p, in response to a Press mention.

Oils volatile

Trading conditions were extremely volatile in the Oil sector. The announcement at the opening of merger talks between Lasmo and Oil Exploration, suspended at 296p and 535p respectively, prompted an upward flurry in other Oil shares, but this soon fizzled out and prices reacted sharply before firming again in the late dealings to close a shade dearer on balance. British Petroleum ended 2 firmer at 380p, after extremes of 382p and 372p, but Shell finished a few pence cheaper at 344p. Premier, which has a holding in Oil Exploration closed 1½ firmer at 46½p, after 49p. Cluff rose 12 to 612 helped by the proposed one-for-one scrip issue.

Gill and Duffus stood out in Overseas Traders with a fall of 12 to 147p following the Board's projected lower profits for the year. Firm of late following the more-than-doubled increase in first-half profits, Tozer Kemsley and Millbourn ran back 6 to 69p.

Trusts weakened afresh over a broad front. Some of the bigger losses took in London Deferred, down to 10⅝p, and Rothschild, a similar amount off at 245p.

Shippings encountered support after an early reaction and the majority of closing quotations were above the day's worst. Furness Withy settled with a loss of 5 at 248p, after 244p, while British and Commonwealth ended 6 cheaper at 352p, after 349p. P and O Deferred touched 107p but recovered to close at 113p for a rise of a penny on the day.

Textiles trended easier, where altered. Lister met fresh selling at 50p, down 4, while the withdrawal of recent speculative support left Sirdar 5 off at 129p.

Plantations and South African issues closed lower throughout. In the former category, Bertram Consolidated lost 8 to 157p and KLK declined 5 to 74p, while Tiger Oats fell 20 to 490p in the latter.

Gold Fields rally

The recent weakness of London Mining Financials was reversed yesterday. A general market opinion that the section had been oversold was followed by a strong demand for Charter, Rio Tinto-Zinc and Gold Fields.

The last-named were particularly wanted as various rumours, including bid speculation, saw the shares surge ahead, notably in the after-hours' trade, to close 25 higher at 275p.

After initially easing to 157p, Charter rallied to end 2 firmer at 164p and Rio Tinto-Zinc recovered from 278p to close a like amount up on balance at 284p. Selection Trust were overlooked, however, and eased 4 to 514p.

Golds suffered from lack of interest after the increased activity of the past two days coupled with a $2 fall in the bullion price to $392 an ounce.

Prices held steady throughout the morning sustained by a modest Johannesburg and London demand, but subsequently drifted easier in the afternoon following small-scale American selling. The Gold Mines index registered a 5.2 decline at 200.7.

Among heavyweights, West Driefontein were a point lower at £34¼, while falls of around half-point were common to Vaal Reefs, £17⅞, and President Steyn, £10⅛.

Australians ran into profit-taking after the recent good gains. Cons. Coals, Oakbridge fell 7 to 126p, Utah Mining Australia 10 to 210p and Thiess Holdings 5 to 350p.

North Broken Hill dipped 8 to 157p following the September quarter results. Also in base-metal producers, Peko-Wallsend lost 4 to 372p.

FINANCIAL TIMES STOCK INDICES

	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 19	Oct. 18	A year ago
Government Secs.	69.10	69.02	70.21	70.35	70.68	71.50	66.35
Fixed Interest	69.94	70.46	71.01	71.25	71.68	71.98	71.02
Industrial	447.1	449.5	463.0	466.7	469.8	470.1	484.4
Gold Mines	200.7	205.9	200.5	211.2	211.8	205.3	148.0
Ord. Div. Yield	7.49	7.45	7.25	7.19	7.13	7.15	5.59
Earnings, Yld. % (full)	18.06	17.97	17.51	17.34	17.20	17.40	15.55
P/E Ratio (net) (*)	6.93	5.86	7.04	7.11	7.18	7.10	8.82
Total bargains	19,194	19,640	16,958	17,850	19,820	18,462	—
Equity turnover £m	—	132.02	99.72	95.39	165.05	121.90	89.23
Equity bargains total	—	15,840	11,654	14,087	16,554	14,257	17,068

10 am 449.2. 11 am 443.4. Noon 442.2. 1 pm 444.1. 2 pm 443.7. 3 pm 444.0.
Latest Index 01-246 8026.
* Nil = 6.64.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.01 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.75 (5/5)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	260.0 (2/10)	132.0 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 25	Oct. 24
—Daily—		
Gilt Edged	105.9	105.1
Industrials	149.4	140.1
Speculative	37.8	29.7
Totals	96.1	91.8
5-day Av'ge		
Gilt Edged	105.0	107.0
Industrials	146.4	139.5
Speculative	41.9	41.8
Totals	95.0	92.7

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	Vol.	April Closing offer	Vol.	July Closing offer	Vol.	Equity close
BP	300	91	10	96	—	—	—	377p
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	125p
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	265p
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	84p
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	331p
Grand Met	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	140p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	337p
Land Secs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	276p
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	90p
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	344p
Totals			385		158		44	
		November		February		May		
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	169p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	143p
Imperial Gp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	83p
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	282p
Totals			32		80		76	

EUROPEAN OPTIONS EXCHANGE

Series	Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS 3406
C=Call P=Put

BASE LENDING RATES

A.B.N. Bank 14 %	■ Hill Samuel §14 %
Allied Irish Bk. 14 %	C. Hoare & Co. †14 %
Amro Bank 14 %	Julian S. Hodge 15 %
American Express Bk. 14 %	Hongkong & Shanghai 14 %
A P Bank Ltd. 14 %	Industrial Bk. of Scot. 14½%
Henry Ansbacher 14 %	Keyser Ullmann 14 %
Associates Cap. Corp. 14 %	Knowsley & Co. Ltd. 15½%
Banco de Bilbao 14 %	Lloyds Bank 14 %
Bank of Credit & Cmce. 14 %	London Mercantile 14 %
Bank of Cyprus 14 %	Edward Manson & Co. 15 %
Bank of N.S.W. 14 %	Midland Bank 14 %
Banque Belge Ltd. 14 %	■ Samuel Montagu 14 %
Banque du Rhone et de la Tamise S.A. 14½%	■ Morgan Grenfell 14 %
Barclays Bank 14 %	National Westminster 14 %
Bremar Holdings Ltd. 15 %	Norwich General Trust 14 %
Brit. Bank of Mid. East 14 %	P. S. Refson & Co. 14 %
■ Brown Shipley 14 %	Rossminster 14 %
Canada Perm't Trust 15 %	Ryl. Bk. Canada (Ldn.) 14 %
Cayzer Ltd. 14 %	Schlesinger Limited 14 %
Cedar Holdings 14 %	E. S. Schwab 15 %
■ Charterhouse Japhet 14 %	Security Trust Co. Ltd. 15 %
Choulartons 14 %	Shenley Trust 15½%
C. E. Coates 14 %	Standard Chartered 14 %
Consolidated Credits 14 %	Trade Dev. Bank 14 %
Co-operative Bank *14 %	Trustee Savings Bank 14 %
Corinthian Secs. 14 %	Twentieth Century Bk. 15 %
The Cyprus Popular Bk. 14 %	United Bank of Kuwait 14 %
Duncan Lawrie 14 %	Whiteaway Laidlaw 14½%
Eagil Trust 14 %	Williams & Glyn's 14 %
English Transcont. 14 %	Yorkshire Bank 14 %
First Nat. Fin. Corp. 15½%	■ Members of the Accepting Houses Committee.
First Nat. Secs. Ltd. 15½%	* 7-day deposits 11½%. 1-month deposits 11½%.
■ Antony Gibbs 14 %	† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12½% and over £25,000 12¾%.
Greyhound Guaranty 14 %	‡ Call deposits over £1,000 11½%.
Grindlays Bank ‡14 %	§ Demand deposits 11½%.
■ Guinness Mahon 14 %	
■ Hambros Bank 14 %	

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Shell Transport	25p	12	344	−2	402	278
BP	25p	11	380	+2	406	220½
GEC	25p	10	333	−6	466	311
BTR	25p	9	290	−12	347	219
ICI	£1	9	340	+3	415	314
Tricentrol	25p	9	248	+4	266	148
Land Inds.	25p	8	260	−13	362	255
Boots	25p	8	170	−3	258	168
Burmah Oil	£1	8	133	+3	190	82
Cons. Gold Fields	25p	8	275	+25	290	178
Premier Cons.	5p	8	46½	+1½	49	13
Racal Electronics	25p	8	217	−1	276	165½
Barclays Bank	£1	8	405	−3	514	360
Grand Metropol.	50p	7	142	—	178½	110½
Unilever	25p	7	482	−6	680	476

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct. 15	Oct. 26	Jan. 24	Feb. 4
Oct. 29	Nov. 9	Feb. 7	Feb. 18
Nov. 12	Nov. 23	Feb. 21	Mar. 3

For rate indications see end of Share Information Service

Stocks to attract money for the call included John Brown, Burmah Oil, Lonrho, William Mallinson, CompAir, Ladbroke, Hawker Siddeley, Christopher Moran, British Petroleum, UDT, Weeks Petroleum and Town and City. Puts were arranged in J. Laing "A," Burton "A," New Throgmorton Warrants, ICI and Premier Consolidated, while double options were transacted in Racal, Burmah Oil, Hanson Trust and BSR.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (8)

BREWERIES (1)
Brownlee
ENGINEERING (1)
Cardo Eng.
FOODS (1)
Low (Wm.)
INDUSTRIALS (1)
Glaves Group
PROPERTY (1)
Bank & Commercial
OILS (3)
Cluff Oil Premier Cons.
Do. Conv. A

NEW LOWS (222)

BRITISH FUNDS (6)
CORPORATION LOANS (1)
LOANS (1)
AMERICANS (17)
CANADIANS (2)
BANKS (5)
BUILDINGS (10)
CHEMICALS (5)
DRAPERY & STORES (20)
ELECTRICALS (13)
ENGINEERING (43)
FOODS (3)
HOTELS (1)
INDUSTRIALS (42)
LEISURE (2)
MOTORS (5)
NEWSPAPERS (3)
PAPER & PRINTING (6)
PROPERTY (11)
SHOES (1)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (44)
OILS (2)
OVERSEAS TRADERS (2)
RUBBERS (1)
TEAS (1)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	35	31
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	81	838	507
Financial and Prop.	15	351	134
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	189	1,414	837

RECENT ISSUES

EQUITIES

Issue Price p	Amount paid up	Latest Renunc. date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount paid up	Latest Renunc. date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., Oct. 25, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Oct. 24 Index No.	Tues., Oct. 23 Index No.	Mon., Oct. 22 Index No.	Fri., Oct. 19 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (74)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (52)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (41)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (493)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (116)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (110)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Thurs., Oct. 25	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years				
2 5-15 years				
3 Over 15 years				
4 Irredeemables				
5 All stocks				

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.		Thurs., Oct. 25	Wed., Oct. 24	Year ago (approx.)
1 Low Coupons	5 years			
2	15 years			
3	25 years			
4 Medium Coupons	5 years			
5	15 years			
6	25 years			
7 High Coupons	5 years			
8	15 years			
9	25 years			
10 Irredeemables				

	Thurs., Oct. 25 Index No.	Yield %	Wed. Oct. 24	Tues. Oct. 23	Mon. Oct. 22	Friday Oct. 19	Thurs. Oct. 18	Wed. Oct. 17	Tues. Oct. 16	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tr.	102.9	108.9	-0.5	3.24
Abbey Capital	34.0	36.3	-1.0	5.61
Abbey Income	40.7	43.5	-1.0	8.49
Abbey Inv. Tst. Fund	34.6	36.9	-1.1	6.19
Abbey Gen. Trust	45.2	48.3	-1.0	5.60
Equitas Prog. Trust	68.5	72.3	-1.2	5.14

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	97.4	102.85	-0.3	12.10

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459.

Balanced Funds				
Allied 1st	70.6	75.5	-1.4	6.36
Brit. Inds. Fund	68.9	73.7	-1.4	5.56
Growth & Income	39.6	42.4	-0.9	5.66
Elect. & Ind. Dev.	35.9	38.4	-0.8	5.47
Allied Capital	72.0	77.0	-1.3	5.32
Hambro Fund	114.1	122.1	-2.2	6.02
Hambro Acc. Fund	134.0	143.4	-2.7	5.61
Income Funds				
High Yield Fd.	71.1	76.1	-1.2	8.99
High Income	66.9	71.6	-1.4	7.89
A.H. Eq. Inc.	39.7	42.5	-0.9	7.98
International Funds				
International	24.9	26.6	.....	9.02
Pacific Fund	36.9	39.5	+0.2	2.25
Secs. Of America	52.9	56.6	.....	2.47
Specialist Funds				
Smaller Co.'s Fd.	48.4	51.8	-0.8	4.05
2nd Smlr. Co's Fd.	57.8	61.7	-1.0	4.21
Recovery Sits.	110.1	117.8	-2.7	5.70
Met. Min. & C'dty.	46.7	50.0	-0.3	5.20
Overseas Earnings	55.6	59.5	-1.1	5.55
Exempt Funds				
Far East Exempt	43.8	45.6	+0.3	3.08
Smaller Co. Exempt	72.7	76.3	-1.3	4.81
U.S.A. Exempt	91.6	95.3	+0.1	3.67

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.5	58.8	.....	5.60

Ansbacher Unit Mgmt. Co. Ltd.

[illegible]

Friends' Provdt. Unit Tr. Mgrs.
Pixham End, Dorking. 0306 5055

Friends Prov. Units	47.7	51.0	-1.4	4.99
Do. Accum.	63.9	68.9	-0.3	4.99

Funds in Court
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Oct. 11	110.5	112.8	.....	5.14
Gross Inc. Oct. 11	78.6	81.0	.....	9.63
High Yield Oct. 11	89.0	90.8	.....	9.47

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	106.0	112.7	-2.5	3.90
Do. Acc.	128.0	136.1	.....	3.00
G.T. Inc. Fd. Un.	164.1	174.5	-2.8	9.60
G.T. U.S. & Gen.	131.6	140.0	-3.0	3.90
G.T. Japan & Gen.	74.4	78.7	.....	3.30
GL. Pens. Ex. Fd.	221.8	232.0	.....	5.20
G.T. Int'l. Fund	148.4	157.8	.....	2.50
G.T. Four Yds. Fd.	54.4	57.8	.....	7.80
G.T. Far East & Gen.	47.3	50.8	.....	2.70

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	34.5	36.8	-0.9	5.25

Gartmore Fund Managers (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	22.4	24.1	+0.4	2.26
British Tst. (Acc.)	63.8	68.7	-1.2	3.97
Commodity Share	30.8	33.1	-0.2	3.42
Extra Income Tst.	23.3	25.1	-0.4	9.40
Far East Trust	31.2	33.6	.....	3.45
High Income Tst.	57.2	61.6	-0.9	9.61
Income Fund	74.8	80.5	-1.8	7.35
Ins. Agencies	£13.71	14.65	-0.35	4.95
Intl. Exempt Fd.	87.5	95.7	-1.7	7.48
Intl. Tst. (Acc.)	29.3	31.5	+0.1	1.65

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	27.7	30.1	-1.1	10.70
Income	41.4	45.0	-1.3	9.60
Accumulation	73.5	79.9	-3.1	4.40
Growth	40.6	44.2	-1.0	4.60
Capital	43.6	47.4	-1.9	4.40
Small Co's	45.0	48.9	-1.1	4.40

[illegible]

Prices on Oct. 24. Next dealing Oct. 31.

...lington Unit Mgt. Ltd. (a)
...ondon Wall, EC2M 5NQ. 01-628 5181

...ican	46.2	49.4	.....	1.46
...al Tst.	51.6	54.8	-1.4	4.93
...m. Units)	53.0	56.2	.....	4.80
...e Tst.	113.6	120.8	-4.6	7.93
...rowth Fd.	38.8	41.2	-0.2	2.39
...m. Units)	41.0	43.6	-0.2	2.39

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	54.6	57.4	.....	3.7

Murray Johnstone U.T. Mgmt. (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521.

MJ Europeau	67.3	71.7	-1.3	2.75

Dealing Day Friday.

NOTES

...s are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying ...ses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. ...timated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance ... s Single premium insurance. x Offered price includes all expenses except agent's commission. ...ffered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on ...sed capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. ...-subdivision. ## Only available to charitable bodies.

INSURANCE & PROPERTY FUNDS

[illegible]

OFFSHORE & O'SEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	$US7.79		.....	—

Net asset value Oct. 24

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg. Fd.	£11.67	11.71	-0.35	12.31

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	124.0	128.0	.....	7.81
Next dealing October 29.				
Gov't Secs. Tst.	87.5	91.0	.....	13.86
Next dealing date October 29.				
East & Intl. Tst. (CI)	105.0	110.0	.....	3.41
Next dealing November 1.				
Arbuthnot Stg. Fd.	101.3	101.4	.....	—
Next dealing date Oct. 31				

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US108.55	109.11	.....	8.48

Prices at Oct. 18. Next sub. day Oct. 24.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	$US59.10	61.00	-0.25	8.57

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	89.5	94.8	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	44.9	47.2	.....	11.80

[illegible]

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,347	1,427	.....	2.40
Bondselex	Fr115.60	121.40	.....	2.40
Central Assets	£153.16	153.23	+0.01	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Gnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	£8.91	8.96	.....	12.25
Gilt Trust (I.o.M.)	102.4	105.1	.....	12.25
Gilt Fnd. Guernsey	£9.16	9.21	.....	12.25
Intl. Govt. Secs. Tst.				
First Sterling	£18.17	18.33	.....	—
First Intl.	$US218.82	221.88	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest	LF1,116		+3	4.31
Guernsey Inc.	70.9	75.2	.....	4.34
Do. Accum.	91.9	97.4	.....	4.34
K.B. Eurobond Fd.	10.05	10.10	.....	—
KB Far East Fd.	$US15.01		.....	2.00
KB Gilt Fund	£10.22	10.27	.....	11.88
KB Int. Bd. Fd Inc.	$US104.34		.....	8.20
KB Int. Bd. Fd. Acc.	$US109.95		.....	.....
KB Intl. Fund	$US12.70		2.16	2.16
KB Japan Fund	$US30.02		.....	8.99
K.B. Sterl. Asset Fd.	£10.13	10.15	.....	—
K.B. U.S. Gwth. Fd.	$US15.61		.....	1.35
Signet Bermuda	$US5.53		.....	1.81

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	55.0	57.9	.....	2.34
Next dealing November 15.				
Lloyds Trust Gilt	£9.58	9.59	.....	12.50

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
37	22	Antofagasta Rly.	37	......	—	—
45	37	Do. 5pc Pref.	43	......	—	—
98	98	Chilean Mixed	98	......	—	3.39
48	18	Chinese 4½pc 1898	46	......	—	—
42	21	Do. 5pc 1912	40	......	—	—
20	13	Do. 5pc 1913	26	......	—	—
27	10	Do. 5pc 1925 Boxer	25	−1	—	—
430	400	German Yng. 4½pc	425	......	4½	—
52	35	Greek 7pc Ass.	35	......	3½	10.52
51	34	Do 6pc 28 Stab. Ass.	35	......	6	10.88
42	32	Do 4pc Mixed Ass.	34	......	4	7.28
54	42	Hung. '24 Ass.	54	......	—	5.21
68	68	Iceland 6½pc '83-88	68	......	—	13.39
90½	78½	Ireland 7½pc '81-83	84	−¼	7½	13.89
87½	69	Do 9¾pc '91-96	79	−½	12.81	13.65
390	230	Japan 4pc '10 Ass	235	......	—	—
73	62	Do 6pc '83-88	63	......	6	11.90
160	135	Peru Ass. 3pc	160	......	3	1.62
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.66
$94½	$94½	Turin 9pc 1991	$94½	......	9	9.52
DM91	DM91	Turin 6½pc 1984	DM91	......	6½	8.80
97	95	Uruguay 3½pc	96	......	3½	3.80

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex 72484 Tel: 031-226 4120
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-10, Lisbon 2. Telex 12533 Tel: 362 508
Madrid: Esproncedа 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43
Rio de Janeiro: Avenida Pres. Vargas 418-10. Tel: 253 4848
Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88
Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104: Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex 440340 Tel: (202) 47-8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INSURANCE

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INSURANCE—Continued

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

LEISURE

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Commercial Vehicles

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Components

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Garages and Distributors

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

NEWSPAPERS, PUBLISHERS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PAPER, PRINTING ADVERTISING

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PROPERTY

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PROPERTY—Continued

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SHIPPING

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SHOES AND LEATHER

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SOUTH AFRICANS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

TEXTILES

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

TOBACCOS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

TRUSTS, FINANCE, LAND

Investment Trusts

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INVESTMENT TRUSTS—Cont.

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Finance, Land, etc.

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

FINANCE, LAND—Continued

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

OILS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

OVERSEAS TRADERS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

RUBBERS AND SISALS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

TEAS

India and Bangladesh

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Sri Lanka

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Africa

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

MINES

CENTRAL RAND

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

EASTERN RAND

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

FAR WEST RAND

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

O.F.S.

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

FINANCE

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

DIAMOND AND PLATINUM

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

AUSTRALIAN

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

TINS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

COPPER

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
120	56	Messina R0.50	98	-2	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 40

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27		Sindall (Wm.)	173	
Bertam	16		IRISH		
Bdg'wtr. Est. 50p	430		Conv. 9% '80/82	£86	
Clover Croft	30		Nat. 9¾% 84/89	£71⅞	
Craig & Rose £1	£10½		Fin. 13% 97/02	£79	
Dyson (R.A.) A	25	-3	Alliance Gas	65	
Ellis & McHdy	180		Arnott	395	-5
Fife Forge	48		Carroll (P.J.)	56	
Finlay Pkg. 5p	19		Clondalkin	83	
Graig Ship. £1	725	-25	Concrete Prods.	79	
Higsons Brew	73	-2	Heiton (Hldgs.)	36½xd	+½
Holt (Jos.) 25p	255		Ins. Corp.	209	
I.O.M. Stm. £1	155	-2	Irish Ropes	80	
Pearce (C.H.)	410		Jacob	28½xd	
Peel Mills	30		T.M.G.	162	-3
Sheff. Refrshmt.	105		Unidare	90	

OPTIONS

3-month Call Rates

[illegible]			

A selection of Options traded is given on the London Stock Exchange Report page.

FINANCIAL TIMES

Friday October 26 1979

UK oil to pass OPEC ceiling

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil companies are expected to raise their prices above the $23.50 ceiling established by the Organisation of Petroleum Exporting Countries.

Nigeria is also under pressure to lift the price of its high quality crude oil following Algeria's decision to increase tariffs.

In spite of OPEC's attempt in July to stabilise the oil market —at least until its next scheduled price-fixing meeting in December—the world's oil pricing structure is falling into disarray.

Seven producers have raised their prices since October 9. The latest, Algeria, has increased the price of its oil with immediate effect from $23.50 to $26.27 a barrel.

A similar increase is being considered by producers in the UK, Norway and Nigeria. Their oil is priced more than $2.50 below the higher levels introduced by Algeria and Libya with which their prices are normally aligned.

British National Oil Corporation, one of the principal traders in North Sea crude oil, said yesterday: "We are always monitoring market developments." But it would not say if it might introduce price increases.

Oil from British Petroleum's big Forties field is selling at about $23.25, some 75 cents higher than the Occidental consortium's Piper and Claymore oil. The output from the Phillips consortium's Ekofisk field, in the Norwegian sector, is being sold for nearer $23.50.

Operators pointed out that they normally charged a price related to those in North Africa and Nigeria. Companies in the Ekofisk group said they had a statutory obligation to set a price obtainable in the international market place. In view of the move by Libya and Algeria this was now considered to be more than $23.50.

North Sea operators, who are producing about 2.05m barrels a day from the UK and Norwegian sectors—some 3.2 per cent of total world output—are waiting to see if Nigeria breaks the OPEC price ceiling.

It had been thought in the oil industry that Algeria and Nigeria might reach a joint decision to peg their prices until the end of the year, but this is clearly not the case.

Nigeria which is anxious to build up its oil revenue, is expected to follow Algeria's lead. It had already indicated that it might introduce a $3 a barrel surcharge on October 1, although this did not materialise.

OPEC members which have recently raised their price are Iran, Iraq, Kuwait, Libya and Algeria. Among those outside OPEC which have followed the trend are Mexico and Oman.

The price of oil from the Gulf state of Dubai is likely to rise as a result of a new agreement with the U.S. company, Conoco.

Conoco said yesterday the deal, effective from November 1, requires its Dubai subsidiary to sell half the oil produced to the Government at a discount. The subsidiary, Dubai Petroleum, would then have the first right to repurchase the oil at prices set by the Government.

Dubai Petroleum produces about 108,000 b/d. The oil is officially priced at $21.43 although Conoco noted in its announcement that the spot market price for Dubai oil had reached $33 to $36 a barrel.

OPEC game of leapfrog, Page 4; Energy trends, Page 8.

Sit-in at French power station

By Terry Dodsworth in Paris

UNION OPPOSITION has again frustrated plans by Electricite de France (EDF), the French electricity generating board, to begin fuelling one of its new nuclear power stations at Gravelines, near Dunkirk.

The decision was made yesterday to go ahead with the loading of the station after several weeks of delays caused by safety checks. But the utility immediately ran into a new blockade by one of the main unions in the industry, the Left-wing Confederation Francaise Democratique du Travail (CFDT), which has staged a sit-in at some of the Gravelines buildings to protest against what union leaders regard as insufficient safety precautions.

The unions first expressed doubts about the safety of the plant after small cracks were discovered in some critical metal components.

Subsequent strikes and a vigorous publicity campaign by the unions forced the EDF to delay the fuelling of the station until further safety checks had been carried out. The EDF says that these tests have been completed and that there is now nothing to stop the loading of the stations with enriched uranium.

The state-owned corporation has repeatedly insisted that the cracks are not a threat to safety.

Last night, however, it became clear that the CFDT, which is reckoned to have in membership about 20 per cent of the personnel in the industry, was against its members helping with the fuelling programme. It claims that information on the cracks is still incomplete.

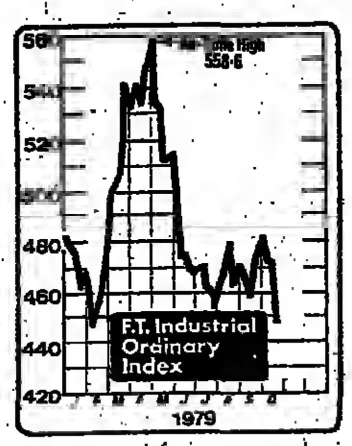
But the attitude of the Communist-led Confederation Generale du Travail, is less antagonistic. It accepts that the necessary tests have been carried out and says that it is the start-up of the stations, rather than the fuelling, which poses safety problems. However, it adds that there should be further examination of the test results.

THE LEX COLUMN

Tiffany's charms for LASMO

At one stage yesterday the FT 30-share Index dived well beneath the year's low of 446.1 but a late rally left it a point clear of that level. Meanwhile the FT-Actuaries All-Share Index remains 10 per cent above its own February low for the year, though for the Industrial Group, containing 493 shares, the margin is only 6 per cent. Besides the uncertainties following the abolition of exchange controls, the market is being affected by the dismal profits picture emerging from industry, and the upward movement of interest rates (though the MLR rise feared in some quarters yesterday failed to materialise). Liquidity is now starting to build up—but the BP issue is likely to be underwritten next Wednesday.

Index fell 2.4 to 447.1



LASMO/Oil Ex.

Bid rumours surrounding Oil Exploration finally hardened yesterday into full merger talks with LASMO, another of the UK offshore independents which has a market capitalisation about twice as large as the £70m of Oil Ex at the suspension price of 535p. The proposed merger comes as LASMO is moving into a period of high positive cash flow from the Ninian Field, and when it is diversifying into the new exploration prospects in the United Arab Emirates and the Philippines. Superficially there would seem to be a good fit with Oil Ex, which is a partner in the Phillips consortium which is likely to start investing heavily in the development of the North Sea block 16/17 in the next two or three years.

The unexplained aspect, however, is how LASMO is going to set a firm value on Oil Ex, shares of which have already jumped from 210p this year. It will be reasonably straightforward to value the U.S. subsidiary Bates Oil Corporation and the stake in the North Sea Hewett gas field. But Block 16/17 is a much more uncertain prospects, including three separate fields Tiffany, Toni and Thelma. Estimates of recoverable reserves have varied widely. Presumably LASMO considers it is now strong enough to take a calculated risk in the interests of diversifying away from its present position as a one-field company. But shareholders looking forward to their first dividend in 1981, in respect of the 1980 financial year, must be wondering how their income prospects might be affected by a merger with Oil Ex.

Berec Group

On a dull day in the stock market, Berec Group produced unexpectedly bad figures — interim pre-tax profits have slumped from £11.1m to £3.2m — and the gross interim dividend has been increased by just 3½ per cent. Consequently, the 6p jump in the share price to 80p was one of the more surprising movements of the day.

The only explanation for the reaction was that the company appeared to be much more optimistic about the second half. *Even so, it looks most unlikely* that for the full year it will be able to match last year's pre-tax profits of £20.3m, which in turn was well below the £29m and £25.4m recorded in 1976-77 and 1977-78 respectively.

Certainly the group has had more than its fair share of problems in the first half. The lucrative Nigerian export market has been completely closed, which could have knocked £2m off the profits. In addition, a long strike at its major UK plant cost another £1m and the recent engineering strike has cost *much the* same.

Assuming the Nigerian market reopens at some stage and with the benefit of better UK margins now that the Price Commission has disappeared, Berec should be able to do better next year. But the question marks about the group's tardiness in developing new products to meet the increased competition, remain.

Saint-Gobain

Half-year figures from Saint-Gobain-Pont-a-Mousson give a vivid picture of the recovery in France's corporate health. In 1978, the group's French operations—which account for half its sales—lost a net FFr 149m. That was the result of a sharp squeeze on margins, and substantial reorganisation costs which were concentrated in the latter part of the year.

In 1979, by contrast, the French activities have moved into the black at all levels. Elimination of lossmakers, like the Davum steel stockholder business, is one explanation. And the removal of price controls has permitted a full recovery in profit margins.

Against this, reorganisation costs are higher than they were in the first half of 1978, and so are currency losses. In addition, the well publicised problems of CertainTeed in the U.S. have just about wiped out what was an important source of earnings last year. Despite all this, net income for the first half is unchanged at FFr 301m, *which represents* a big turnround from FFr 112m in the second half of last year.

Results in the current half year may not match those of the first six months, but earnings per share for the year could still reach, say, FFr 17. The shares stand at FFr 131, and are not among the hot favourites of the Paris market.

Gill & Duffus

Gill and Duffus tends to err on the conservative side when it makes its annual forecast at the interim stage, but the stock market *was disappointed* by the indication that 1979 pre-tax profits would be some 12 per cent lower at £20m. After nearly two decades of uninterrupted growth this will be the group's first setback and the shares fell by 12p to 147p yesterday. At this level they are selling on nine times prospective earnings and yield 6.6 per cent.

Despite the group's attempts to diversify over the years, cocoa still accounts for around half Gill and Duffus' business and activity here has been decidedly sluggish. The new Brazilian factory came on stream in 1979 but the benefits were more than offset by the weakness of the local currency. In the U.S. Gill and Duffus Inc. has found the cocoa powder market difficult and the group's overall results have been hit by the strength of sterling.

Fortunately, Gill and Duffus's move into the sugar market finally seems to be coming right. The joint ventures with Jardine Matheson have been a flop but Gill and Duffus has bought out its partners, reorganised the business and it has swung back into profit—not before time. The other recent diversification —into chemicals trading—has proved very well timed and the uncertainty in the oil markets and the volatility in prices have enabled the group to earn substantial returns.

No change in monetary system yet

THE Bank of England believes that the existing monetary system can continue for the time being following the freeing of capital movements between the UK and abroad. Consequently, there need be no great urgency about considering possible changes.

This follows calls from a number of City commentators —notably Mr. Gordon Pepper of stockbrokers W. Greenwell —for a complete overhaul of the present system which they believe is effectively dead.

The Bank recognises that there could be difficulties as the ending of controls creates greater potential loopholes in the system than at present exist.

But the Bank wants to see what will happen in practice and then to consider whether the present system has to be adapted or replaced.

Low overseas investment

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITISH financial institutions have invested only between 5 and 6 per cent of their cash flows in overseas securities over the last year.

Central Statistical Office figures published yesterday highlight the relatively low level of purchases of overseas shares and stocks ahead of the complete removal of exchange controls announced on Tuesday.

Insurance companies, pension funds, unit trusts and investment trusts bought less than £500m of overseas securities of all kinds in the year to the end of June.

This compares with total cash inflow for these institutions of about £8.5bn. About £2.1bn of this was invested in UK company securities and £4.02bn was absorbed by buying of gilt-edged securities.

It is generally expected that the amount invested overseas will rise sharply since shares can be bought at the normal rate of exchange; an extra premium no longer has to be paid for investment currency in order to finance such purchases.

The detailed figures show that nearly half the cash flow of the long-term savings institutions — life assurance companies and pension funds —also went into the gilt-edged market in the year to June in order to finance the public sector's financial deficit.

INSTITUTIONAL INVESTMENT

Life assurance companies and pension funds—£m

		Net Inflow	Gilts	Investment in company securities
1977		6,118	2,949	1,762
1978		7,461	3,729	2,146
	3rd	1,757	905	554
	4th	1,947	878	599
1979	1st	2,297	1,019	534
	2nd	2,270	1,344	720

Source: Central Statistical Office

In the April-to-June period life companies and pension funds had £2.27bn of money available to invest. Purchases of gilts amounted to £1.34bn while buying of equities was the highest for two years at £720m. The FT 30-share industrial ordinary index rose sharply to an all-time high in this period.

These institutions bought £275m worth of property in the period, taking their total property purchases since mid-1978 to £965m.

The net inflow into financial institutions of all kinds outside the banking sector was £4.97bn in the three months to the end of June.

This is an all-time high and compares with £3.73bn in the previous three months. This total includes deposits with building societies and finance houses.

Continued from Page 1

Ulster

tions of the community respected the interests of others.

Mr. Atkins made it clear that the British Government would retain responsibility for security and law and order in the province.

His proposals—yet to be cleared by the Cabinet—would not attempt either to return to the former Stormont administration or to repeat the unsuccessful power sharing experiment of 1974, he said.

But the conference would be able to examine a wide range of possible methods of restoring to the people of Northern Ireland some control over their affairs.

All the options that the Government would put forward—and they will be debated in Parliament—would take account of the interests of the minority.

By our Belfast Correspondent: In spite of the Government's anxiety to see political advance in the province, a wide gulf still exists between the Unionist majority and the mainly Roman Catholic Social and Democratic Labour Party.

Mr. Norman Hotton, the Official Unionists' secretary, said its one request to the Government was that it should implement the proposals in the election manifesto by establishing one or more regional councils to strengthen the weak system of local government in Ulster.

Callaghan considered quitting

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN seriously considered quitting the Labour leadership after the series of rebuffs he has received from the party's National Executive Committee, but he has decided to stay on into next year.

He was persuaded by colleagues to remain in order to lead a rearguard action on the commission of inquiry into party organisation and throughout the party against the attempt of the Left to increase its influence.

It is clear in the aftermath of Wednesday's NEC meeting, when he suffered a further humiliating defeat in the battle for control of the party, that Mr. Callaghan is not optimistic about the chances of success, but he regards it as his duty to try.

There is now the prospect that he will remain as leader, certainly until next summer when the commission is due to produce its report, and probably until the autumn party conference which will decide on its recommendations.

The next stage in the conflict between the Parliamentary party and the Left-dominated NEC will come next Wednesday when Labour MPs are expected to demand that the executive should re-open the membership of the commission.

Wednesday's NEC meeting had rejected calls for much stronger representation of MPs in the committee.

MPs next week will have before them a resolution from the Shadow Cabinet calling once more for MPs to be strongly represented on the commission, and this will probably be accepted by a substantial majority.

As the Left majority on the NEC appears determined to resist any attempt to change or extend the commission's membership, there will be continuing open conflict.

The resolution proposes that the Parliamentary Labour Party "should meet the NEC in order to press the need to provide for strong representation of the PLP on the commission of inquiry and to ask the NEC to reconsider the decision made at its meeting on Wednesday."

Recycling plant

BRITAIN'S first glass recycling plant for waste bottles was opened at Alloa today by Mr. Alex Fletcher, MP, Scottish Office Minister for Industry and Education.

Continued from Page 1

Steel

Only 60 jobs are at stake at Hunterston. The row started when the transport union docker declared the new terminal "black" because they would have a smaller proportion of the Hunterston jobs than at the old ore quay in Glasgow. The dockers also wanted Hunterston to be a registered port under the National Dock Labour Scheme. The Iron and Steel Trade Confederation workers have already been recruited and trained by British Steel to man the terminal.

Mr. Douglas Harrison, assistant secretary of the Scottish TUC, said that the temporary suspension of Ravenscraig production was extremely dangerous in view of the Government's attitude to steel industry losses and could lead to the horrifying prospect of permanent closure.

Mr. Arthur Bell, Scottish organiser of the confederation, said he took strong exception to the decision having being made without consultation with his union, which represents workers at Ravenscraig.

The Clyde Port Authority would not comment on the issue of a writ against it by the Steel Corporation, but said it was sympathetic to the problems which had been caused by the non-operation of the Hunterston terminal. It hoped the latest move by the TUC would result in a solution being found.

Singer reshaping cost $124m

SINGER, which earlier this month announced plans for a major rationalisation of its sewing machine business, including closing its plant in Clydeside, announced yesterday that it had lost $125.4m (£59.4m) in the third quarter.

The heavy loss, compared with a profit of $8.4m a year ago, stems from the $130m provision set aside to cover the cutbacks in Europe and the rationalisation of its North American operations already under way.

Mr. Joseph B. Flavin, chairman and chief executive of Singer, said that the reserve established for restructuring the sewing machine operations reduced net income by $124m after recognition of tax benefits of $6m. Without the reserve a net loss for the quarter of $1.4m would have been recorded, Singer said.

The reorganisation under way at Singer, as well as costing about 3,000 jobs on Clydeside, is expected to result in a halving of the German workforce, while reviews are pending on Singer's Italian and French operations.

A fall in the U.S. sewing machine market of around 50 per cent in the past decade, together with increasing foreign competition, particularly from the Far East, have been blamed for the company's decline.

Weather

UK TODAY

SUNNY intervals, showers in W and N.E.

London, Channel Isles, Cent. S. England, Midlands, Cent. N. England

Early fog, sunny intervals. Max. 13C to 14C (55F to 59F).

S.E. and E. England, E. Anglia

Occasional rain, sunny intervals. Max. 12C to 13C (54F to 55F).

S.W. England, S. Wales

Mostly dry, coastal showers. Max. 13C to 14C (55F to 57F).

N. Wales, N.W. England, Lakes, I. of Man

Showers, sunny intervals. Max. 12C to 13C (54F to 55F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland

Occasional rain. Max. 11C to 12C (52F to 54F).

S.W. Scotland, Glasgow, Cent. Highlands, Argyll, N.W. Scotland, N. Ireland

Showers, sunny intervals. Max. 11C to 12C (52F to 54F).

Orkney, Shetland

Rain. Max. 10C (50F).

Outlook: Sunny intervals, rather cold; some night frosts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	20	68	Conhgn.	S	8	46	Luxmbg.	F	11	52	Prague	S	7	45
Algiers	R	17	63	Corfu	F	21	70	Luxor	S	32	90	Reykjvk.	C	7	45
Amsdm.	S	11	52	Dublin	S	12	54	Madrid	C	12	54	Rio J'o	S	30	86
Athens	C	14	57	Dbrvnk.	S	18	64	Majorca	F	21	70	Rome	S	20	68
Bahrain	S	35	95	Ednbgh.	R	14	57	Malaga	S	20	68	Salzb'rg	C	10	50
Barcina.	R	17	63	Faro	C	18	64	Malta	C	22	72	Singapr.	C	29	86
Belfast	F	10	50	Florence	S	16	61	Mchstr.	R	10	50	Stckhm.	F	8	43
Belgrd.	S	7	45	Frankf't	S	9	48	Melbne.	C	14	57	Strasb'g	C	8	46
Berlin	S	6	43	Funchal	S	22	72	Milan	C	11	52	Sydney	S	20	68
Biarritz	C	15	59	Geneva	S	16	61	M'ntreal	C	5	41	Tangier	C	19	66
Bmghm.	C	11	52	Gibltr.	C	19	66	Moscow	C	−3	27	Tehran	C	19	66
Blackp'l	C	11	52	Glasgow	C	12	52	Munich	S	7	45	Tel Aviv	F	24	75
Bordx.	R	13	55	G'rnsey	C	13	55	Nairobi	S	20	68	Tokyo	C	19	66
Boulgn.	C	12	54	Helsinki	C	2	36	Naples	F	18	64	Toronto	S	4	39
Bristol	C	13	55	H. Kong	S	26	79	Nwcstl.	R	12	54	Tunis	C	20	68
Brussels	S	16	61	Innsbr'k	S	12	54	N. York	C	11	52	Valencia	C	20	68
Budpst.	S	5	41	Invrnss.	F	14	57	Nice	C	17	63	Venice	S	12	54
B. Aires	S	24	75	I.o Man	F	10	50	Oporto	C	16	61	Vienna	S	6	43
Cairo	S	27	81	Jersey	F	13	55	Oslo	C	5	41	Warsaw	S	4	39
Cardiff	C	13	55	Jo'burg	S	26	79	Paris	C	14	57	Zurich	C	6	43
Cas'b'ca	F	20	68	L. Plms.	S	23	73	Perth	S	28	82				
Cape T.	S	19	66	Lisbon	F	17	63								
Chicago	C	6	43	Locarno	R	10	50								
Cologne	S	10	50	London	R	11	52								

C—Cloudy. F—Fair. R—Rain. S—Sunny.

ICL joins defence contract bid

BY LYNTON McLAIN AND ELAINE WILLIAMS

AN INTERNATIONAL consortium of defence electronics companies, including International Computers Limited (ICL) has been launched to bid for a Defence Ministry radar improvement contract likely to be worth between £75m and £100m by the late 1980s.

The development marks a new, highly competitive stage in the battle to improve Britain's air defence radar system to match the rapidly changing nature of aerial tactics.

Plessey, Marconi Radar Systems and the Hughes Aircraft Company of the U.S. said in April that they had joined forces to bid for the work, which has the support of NATO. A joint company, UKADGE Systems, was formed.

The companies in the newly-launched consortium are the Westinghouse Electric Corporation of the U.S., Sintra of France and Hollandse Signaalapparaten, part of the Dutch Philips Group.

The plan to improve the United Kingdom air defence ground environment (UKADGE) — the air defence radar and ground communication systems — was outlined in this year's defence White Paper.

The Defence Ministry is thought to have called originally for tenders to be submitted by July 28.

But intense diplomatic pressure from France forced the Ministry to postpone the original deadline twice. A new deadline—February 28—was set on Wednesday.

France is not a member of NATO—which may provide up to 40 per cent of the cost of the improved system—but the British plans were to have made the improved system compatible with the French Strida defence radar system.

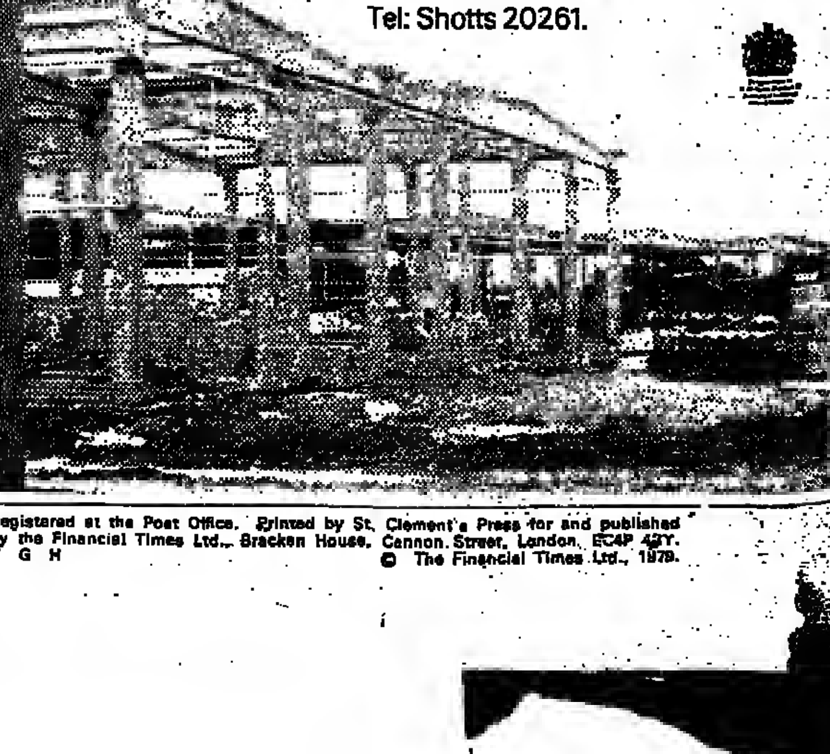
Sintra, the French company which is now part of the latest consortium, was the prime contractor for the Strida system.

The competing consortia say that much of the work would be carried out in Britain.

UKADGE Systems plans to share the work equally between Marconi, Plessey and Hughes Aircraft. Also much work is expected to be subcontracted to other British companies, including Ferranti, which has been approached by at least one of the consortia and which is thought to be willing to tender.

ICL said yesterday it would carry out the design and installation of the computer system while Westinghouse would probably do work on air defence and traffic control systems.

Whichever consortium wins the UKADGE contract may be well placed to win a much larger and more lucrative contract in the late 1980s, when NATO's main radar air defence system, the NADGE system, is expected to be nearing the end of its useful life.



Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.
V G H